

CITY OF JOLIET, ILLINOIS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005**

PREPARED BY THE DEPARTMENT OF MANAGEMENT AND BUDGET

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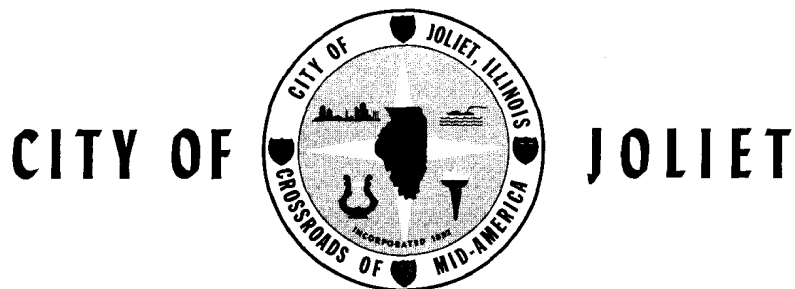
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OFFICE OF
ROBERT D. FRASER
Director of Management and Budget
City Treasurer
(815) 724-3900 Fax (815) 724-3990



June 16, 2006

150 WEST JEFFERSON STREET
JOLIET, ILLINOIS 60432-4158

To the Honorable Mayor, Members of the City Council
And the Citizens of the City of Joliet:

Formal Transmittal of the CAFR

The comprehensive annual financial report of the City of Joliet for the year ending December 31, 2005 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Joliet issue annually, a report on its financial position and activity and that an independent firm of certified public accountants audit this report. Responsibility, for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Joliet. All disclosures necessary to enable the reader to gain an understanding of the City of Joliet's activities have been included. The City of Joliet 1999 through 2004 Comprehensive Annual Financial Reports received the Government Finance Officers Association Award of Financial Reporting Achievement. The City of Joliet received special recognition for the Early Implementation of GASB 34.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this letter of transmittal, an organizational chart, and a list of the City of Joliet's principal elected and appointed officials. The financial section includes a Management Discussion and Analysis (MD&A), the basic financial statements and the combining and individual fund financial statements and schedules as well as the independent auditor's report on the basic financial statements. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City of Joliet's MD&A can be found immediately following the report of the independent auditors. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis. The single audit section contains reports required by OMB Circular A-133.

The City of Joliet is required to undergo an annual single audit in conformity with the provisions of the *Single Audit Act Amendments of 1996* and the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on compliance and on internal control over financial reporting, compliance with requirements applicable to each major program, and internal control over compliance in accordance with OMB Circular A-133 and a schedule of findings and questioned costs are included in the single audit report section of this report.

Profile of the Government

Reporting Entity

The City of Joliet includes all the funds of the primary government (i.e., the City of Joliet as legally defined) as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The City provides a full range of services including police and fire protection; refuse, recycling services and yard waste; construction and maintenance of highways, streets and infrastructure, as well as water and wastewater.

The Water and Sewer Fund, which provides water and wastewater services, is reported as a business-type activity of the City. In addition, the parking system is treated as a business-type activity due to the business-like nature of its operation. Discretely presented component units are reported aggregately as a separate column in the entity-wide financial statements to emphasize that these funds are separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Joliet Public Library, The Will County Metropolitan Exposition and Auditorium Authority Funds and The Joliet Area Historical Museum are reported as discretely presented component units.

Governmental Structure and Background

The government, incorporated in 1852, is located in the northeastern part of the state, which is considered to be the top growth area in the state. The City currently has a land area of 49.5 square miles and a population of 145,803 as of the 2005 Special U.S. Census.

The government is empowered to levy a property tax on real estate property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City has operated under the Council-Manager form of government since 1955. Policymaking and legislative authority are vested in the City Council, which consists of a mayor and an eight-member council. The City Council sets policy for the City, adopts ordinances and resolutions, adopts the annual budget and approves all expenditures. Council members are elected to a four-year staggered terms with three at large council members and five district council members elected every four years. The Mayor is elected to a four-year term. The Mayor and Council members are elected on a non-partisan basis. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the directors of the City's departments.

Information Useful in Assessing the Government's Economic Outlook

Local Economic Conditions and Outlook

The City currently enjoys a favorable economic environment and local indicators point to continued stability. The quality of life and business climate of the City are major reasons that a number of prominent companies have located here, including Caterpillar, Provena St. Joseph Medical Center, Harrah's Casino-Joliet, Empress Casino-Joliet, Mobil Oil Corporation, Ameritech, T. J. Lambrecht Construction, Dollar Tree Store, Inc. and Midwest Distribution Center.

During the fiscal year the City has processed numerous requests for new non-residential projects. The 75,000-seat NASCAR/IRL raceway valued at \$130,000,000 is ready to enjoy its sixth successful year. This facility is located next to the existing Route 66 Raceway and annually hosts the NASCAR USG Durock 300, NASCAR USG Sheet Rock 400 Series, S'K Hand Tool 200 (ARCA RE/MAX Series), IRL Infiniti Pro Series and IRL IndyCar Series.

The City's unemployment rate continued to be favorable and as of December 31, 2005 was 7.0%. The City (located in Will and Kendall counties) has an employed labor force of approximately 57,886. There continues to be steady growth with 1,693 building permits issued for new housing units in 2005. This includes single-family residences, duplexes, townhouses, apartments and condominiums.

Major Initiatives

For the Year

The Mayor, City Council and City staff implemented a portion of the City's strategic plan. This collaborative process was achieved with the staff proposing and the Council approving related strategies of the plan.

Major water and sewer projects are under construction using existing funding and funds from a series of bond issues are as follows (in millions):

Radium Compliance Facilities	\$ 50.2
Aux Sable Creek Basin Wastewater Plant	30.2
Combined Sewer Overflow Elimination And Wet Weather Treatment	24.8
Interceptor System Aux Sable Creek Area	11.2
Water And Sewer Development Program	5.5
	<hr/>
	\$ 121.9

The major wastewater project that is funded by the 2004 and 2005 budgets is the Kendall County Treatment Plant (\$8,060,000). Construction started in 2004 and became operational in January of 2006.

One of the other major projects is the continuation of the elimination of excess flows that contribute to basement flooding. An additional \$1,000,000 is allocated for this project. This program began in 2000.

Other wastewater projects include a continued contribution to the treatment works replacement fund, building improvements and repairs for the treatment plants, a continued commitment to the elimination of combined sewer overflow, interceptor cleaning and sewer rehabilitation, sewer main replacement, replacement of sewer vehicles, and the construction of an East Side Sewage Treatment Biosolids Facility.

Major water projects scheduled include a continuation of the meter replacement and remote ready system, well rehabilitation, watermain replacement and payments for oversizing.

Major reconstruction and overlay projects scheduled for 2006 include Caton Farm Road Project (IL Route 59 to Drauden), Charlotte (Center to Buell), Chicago Street (Jefferson to Washington), Traffic Signal at Black Road at Library, Center Street (DeKalb) to Marion), Glenwood Avenue (Raynor to Larkin), Traffic Signal Essington and Hennepin and Intersection Widening, Traffic Signal Essington and Caton Farm Road and Intersection Widening.

For the Future

Annexations during the year necessitated several water and wastewater line extensions.

The Joliet trail system will include over 40 miles of trail and will serve a population area of over 150,000. The Joliet trail system connects nearby communities like Channahon, New Lenox, Shorewood, Plainfield, Crest Hill, Rockdale, Manhattan, Romeoville and Lockport and is part of a larger overall trail plan for a broader region, which includes cities like Lemont, Naperville, Aurora, Chicago and LaSalle-Peru.

DEPARTMENT FOCUS: The Human Resources Department believes that the City's employees are its most valuable asset. The City of Joliet recognizes that it has a significant investment in its employees and to that end is dedicated in providing service to those employees. Some of the services that Human Resources provide include recruitment, training, safety, health and benefits administration and labor contract administration.

The Department is also responsible for the Building and Grounds maintenance. Included in this effort is ongoing maintenance of the Municipal Building and the new Police Station facilities. Additionally, in the next year, there will be significant remodeling of the Municipal Building. This remodeling will focus on modernizing the area of the Municipal Building vacated by the Police Department. Several departments will be changing their location in updated office settings. These departments include Neighborhood Services, Legal, Human Resources, Planning and Zoning and Inspections. The City will also be updating the Municipal Building infrastructure. Some of the improvements include modernization of the heating and air conditioning systems, updating of the plumbing and electrical, and remodeling of the restroom facilities.

Human Resources is also in the process of expanding its recruiting efforts. Job opportunities will be posted on the City's Web site as well as utilizing the various job posting sites on the internet. The City should be able to recruit more qualified candidates for its job opportunities and increase the efficiency in the recruitment of new employees.

Financial Information

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principals generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognize that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the City's Management and Budget Department.

As part of the City's single audit, described earlier, tests are made of the City's internal control structure and of its compliance with certain provisions of law, regulations, contracts and grants, including those related to federal financial assistance programs.

In addition, the City maintains extensive budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, certain special revenue funds and the Debt Service Fund are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. However, expenditures at the object level are watched very closely. The City also maintains an encumbrance accounting system as one method of maintaining budgetary control. Outstanding encumbrances are generally reappropriated as part of the following year's budget. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Pension Trust Fund Operations: The Police and Firefighters' Pension funds continue to be generally well funded. At January 1, 2005 the Police and Firefighters' Pension funds reflect 63.6% and 59.1% respective funding levels. State statutes require all Pension and Firefighters' Pension funds to be fully funded by the year 2033. The City's annual contribution to each of the funds includes an amount actuarially necessary to fund the unfunded portion accordingly. The City is reasonably certain of attaining its fully funded status by or before the State mandated deadline and will retain a private and independent actuarial firm to set the funding arrangements as needed.

The investment results of the Pension funds are discussed below. Both Pension funds retain professional money managers to manage their respective investment portfolios. The return on investments for the Police and Firefighters' Pension Funds was 4.9% and 6.8% for the year ended December 31, 2004 (the most recent fiscal year for which actuarial information is available).

Cash Management Policies and Practices: Statutes authorize the City to invest in direct and general obligations of the United States of America, obligations issued or guaranteed by instrumentalities or agencies of the United States of America, pre-funded municipal obligations, direct and general obligation of any state, interest-bearing demand or time deposits or interest in money market portfolios issued by the state banks or trust companies or national banking associations or savings and loan associations that are continuously and fully insured, corporate debt guaranteed by any corporation that is rated by Moody's and S & P in their two highest rating categories, repurchase agreements with maturities of 30 days or less, prime commercial paper of a United States corporation, public housing bonds issued by public agencies, shares of a diversified open-end management investment company or state pooled investment funds.

The City's investment policy also requires collateral for all deposits and investments except for those investments of the state pool or the federal government. The collateral must have a market value of not less than 100% of all deposits and investments.

The fifteen-year average yields for the Police Pension Fund and Firefighters' Pension Fund were 6.3 percent and 6.2 percent, respectively. The eleven-year average yield incorporates the impact of reflecting investments at their fair market value for the last five of twelve fiscal years due to the implementation of GASB Statement No. 25. The higher rate of return for the pension trust funds is attributable to the long-term nature of the majority of the investment holdings. The City earned net investment revenue of \$4,966,059 and the pension trust funds earned \$5,644,304 on all investments for the respective year.

Risk Management: The City is self-insured for a majority of its coverage lines. The City's consolidated Property & Casualty Program package consists of excess specific coverage for General, Auto, Police/Law Enforcement, Public Official/Employment Practices (EPL), and EMT Liability. The package coverage limit is \$10 million per occurrence/aggregate. The Self-Insured Retention (SIR) limit is \$1 million for all package components. In addition, a \$5 million per occurrence/aggregate Umbrella policy extends over the initial \$10 million of excess specific coverage for all package components. Worker's Compensation Excess Specific coverage is to Statutory Limits with \$1 million of Employers Liability. The SIR for this line is \$600,000. The City's Property coverage is All risk, repair or replace Full Limit Value (FLV) with a \$100,000 deductible. This coverage includes Extra Expense (\$500,000 per named location), EDP equipment (FLV per named location), Valuable Papers (\$800,000 per named location), Mobile Equipment (\$1.5 million per named location), Property in Transit and Builder's Risk coverage at various limits as well as Earthquake (\$15 million with a \$50,000 deductible) coverage for a Total insured Value (TIV) of \$152,193,192. The City's Boiler and Machinery coverage has a \$50 million per occurrence limit with a \$10,000 deductible. All Property and Casualty lines are on an occurrence basis with external claims administration and loss control/prevention services. Unemployment Compensation is on a direct reimbursement method with third party administrative services.

The City is also self-insured for its Group Health Insurance Plan and maintains Specific Stop Loss coverage for claims in excess of \$150,000 and Aggregate Stop Loss coverage for total plan losses in excess of 125% of projected claims. Dental coverage benefits are limited to \$1,000 in benefits per covered individual per year. In addition, the City also provides a fully insured Life and Accidental Death and Dismemberment (AD&D) coverage at a rate of \$.80 per \$1,000 of coverage for Life and \$.07 per \$1,000 of coverage for AD&D. The City is Self-Administered on the Life/AD&D program and maintains an Administrative Services Only (ASO) contract with Blue Cross Blue Shield of IL for the provision of claims administration and services for the Health and Dental coverages as well as for PPO access for the Group Health Insurance Plan.

Other Information

Independent Audit: State statutes require an annual audit by independent certified public accountants. The firm of Wermer, Rogers, Doran & Ruzon, LLC was selected by the City's Financial Advisory Board and approved by the City council in 1999 under a five-year contract. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal *Single Audit Act Amendments of 1996*, and the related U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and on management's discussion and analysis is included in the financial section of this report. The auditor's reports on compliance and on internal control over financial reporting, and compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular is included in the single audit reports section of this report.

Awards and Acknowledgments

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Joliet for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the fourth consecutive year the City received this prestigious award.

In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

Will County United Way also recognized the City in 2005 for its employee campaign that raised more than \$85,881.72 in contributions to community social service agencies.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Management and Budget Department. I would like to express my appreciation to all members of the Department who assisted and contributed to the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert D. Fraser", is written over a horizontal line.

Robert D. Fraser
Director of Management and Budget

**CITY OF JOLIET
MAYOR AND CITY COUNCIL**

MAYOR
Arthur Schultz

COUNCILMAN, DISTRICT #1
Joseph R. Shetina

COUNCILMAN, DISTRICT #2
Timothy M. Brophy

COUNCILMAN, DISTRICT #3
Anthony Uremovic

COUNCILMAN, DISTRICT #4
Alex Ledesma

COUNCILMAN, DISTRICT #5
Warren C. Dorris

COUNCILMAN AT LARGE
Thomas C. Giarrante

COUNCILMAN AT LARGE
Janice Quillman

COUNCILMAN AT LARGE
Michael F. Turk

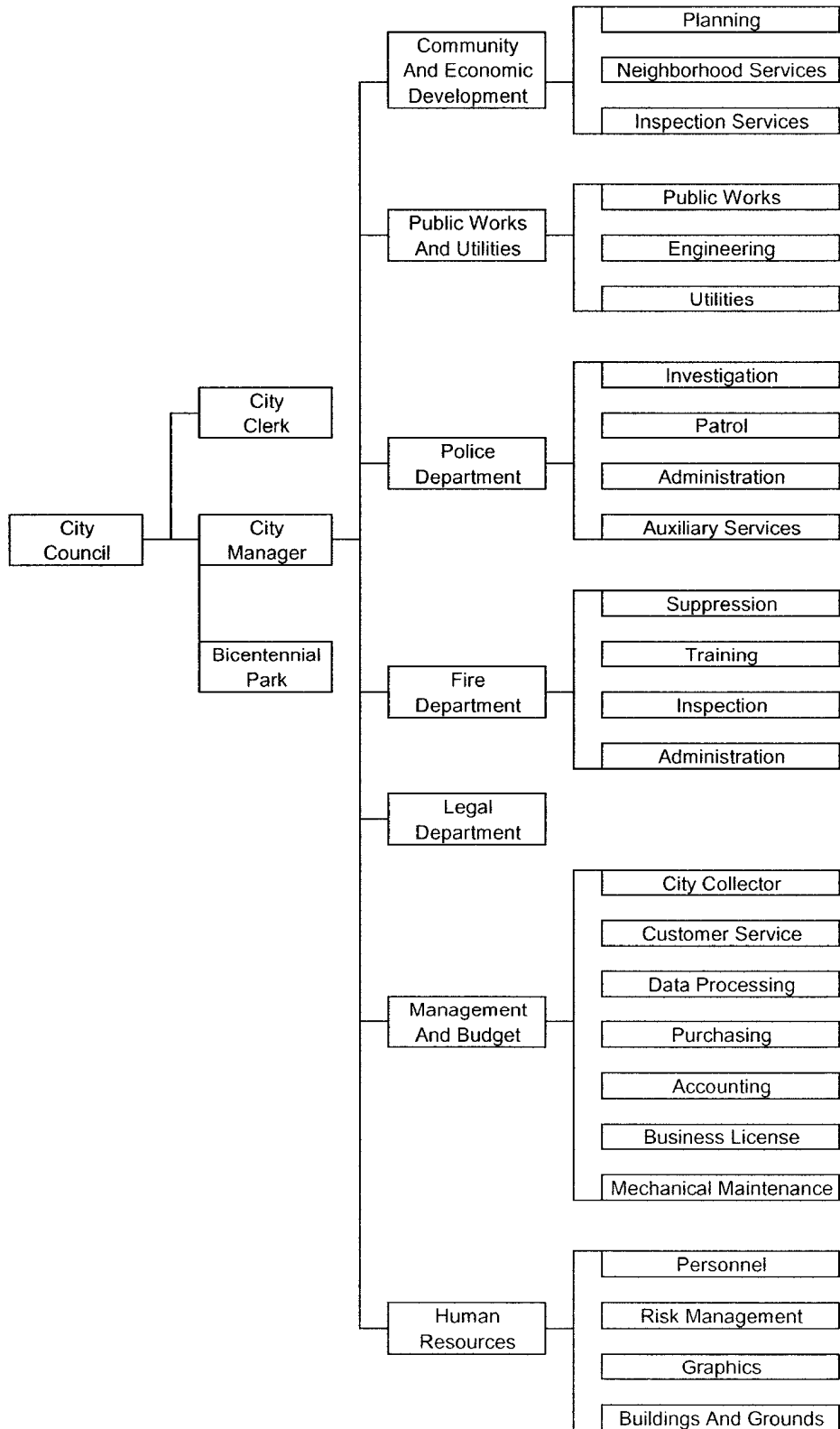
CITY MANAGER
John M. Mezera

DIRECTOR OF MANAGEMENT AND BUDGET/CITY TREASURER
Robert D. Fraser

FINANCE DIRECTOR/ASSISTANT CITY TREASURER
Richard F. Yucius

CITY OF JOLIET, ILLINOIS

Organizational Chart
December 31, 2005



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Joliet,
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION



WERMER, ROGERS, DORAN & RUZON LLC CERTIFIED PUBLIC ACCOUNTANTS

755 ESSINGTON ROAD, JOLIET, ILLINOIS 60435 • 815/730-6250 • FAX 815/730-6257 • WWW.WRDR.COM

Independent Auditor's Report

To The Honorable Mayor And Members
Of The City Council
City Of Joliet, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Joliet, Illinois, as of, and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Joliet, Illinois's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Joliet Public Library or the Joliet Area Historical Museum, discretely presented component units, which statements reflect total assets of \$18,752,786 and \$517,127 respectively, as of December 31, 2005, and June 30, 2005, respectively, and total revenues of \$4,557,024 and \$1,535,966, respectively, for the respective years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Joliet Public Library and the Joliet Area Historical Museum, in the component unit columns, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Joliet, Illinois, as of December 31, 2005 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2006, on our consideration of the City of Joliet, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Analysis of Funding Progress are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Joliet, Illinois's basic financial statements. The required supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The other supplementary information and statistical data listed in the table of contents is also presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Joliet, Illinois. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Joliet, Illinois. Such information, except for introductory section and that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Werner, Rogers, Doran + Rogers, LLC

June 6, 2006

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2005

Our discussion and analysis of the City of Joliet's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2005. Please read it in conjunction with the transmittal letter beginning on page vii and the City's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

The City's net assets increased by \$42.8 million, or 7.7 percent as a result of this year's operations. Net assets of our governmental activities increased by \$29.5 million, or 8.8 percent while net assets of our business-type activities increased by \$13.3 million, or 6.0 percent.

During the year, the City's governmental activities had revenues of \$163.3 million as compared to revenues of \$135.5 million in the prior year. The City governmental activities had expenses (net of indirect expense allocations) of \$137.7 million as compared to expenditures (net of indirect expense allocations) of \$129.0 million in the prior year. This represented a 20.5 percent increase in revenues and a 6.7 percent increase in expenses.

During the year, the City's business-type activities had revenues of \$39.3 million (exclusive of \$7.8 million of capital contributions) as compared to revenues of \$34.4 million (exclusive of \$5.0 million of capital contributions) in the prior year. The City's business-type activities had expenses (net of indirect expense allocations) of \$29.5 million as compared to \$26.2 million in the prior year. This represented a 14.2 percent increase in revenues and a 12.6 percent increase in expenses.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets (on page 13) and the Statement of Activities (on page 14) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 15. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about the activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

The Statement Of Net Assets And The Statement Of Activities

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets (the difference between assets and liabilities) as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2005

In the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

- 1) **Governmental Activities** – Most of the City's basic services are reported here, including police and fire protection, public works, recreation, and general administration. Property taxes, home rule sales taxes, franchise fees, state shared revenues, and federal grants finance most of these activities.
- 2) **Business-Type Activities** – The City charges fees to customers to help it cover all or most of the costs of certain services it provides. The City's water and sewer system and parking facilities are reported here.
- 3) **Component Units** – The City includes three separate legal entities in its report – The Joliet Public Library, the Will County Metropolitan Exposition And Auditorium Authority, and the Joliet Area Historical Museum. Although legally separate, these "component units" are important because the City is financially accountable for them.

Reporting The City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 9. The fund financial statements begin on page 15 and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

Governmental Funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation to the right of the fund financial statements and in the notes to the financial statements.

Proprietary Funds – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2005

The City As Trustee

Reporting The City's Fiduciary Responsibility

The City is the trustee, or fiduciary, for its employees' pension plans. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 21 and 22. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

The City's combined assets increased by 6.8 percent – increasing from \$698.4 million to \$745.7 million. Although increases were seen in both the governmental and the business-type activities, the business-type activities increased by approximately 4.4 percent while the governmental activities increased by approximately 8.6 percent. The increase in the business-type activities can be attributed mostly to the rapid development of new subdivisions and the resulting contributed capital when the City acquired the watermains and sanitary sewer lines. The increase in the governmental activities can be attributed mostly to the capitalization of current year infrastructure in excess of depreciation taken on infrastructure. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities:

Table 1
Condensed Statement Of Net Assets
(In Millions)

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current And Other Assets	\$ 91.9	\$ 74.2	\$ 105.9	\$ 141.3	\$ 197.8	\$ 215.5
Capital Assets	<u>339.3</u>	<u>323.0</u>	<u>208.6</u>	<u>159.9</u>	<u>547.9</u>	<u>482.9</u>
Total Assets	<u>431.2</u>	<u>397.2</u>	<u>314.5</u>	<u>301.2</u>	<u>745.7</u>	<u>698.4</u>
Liabilities						
Current	42.3	37.2	9.7	8.0	52.0	45.2
Noncurrent	<u>25.4</u>	<u>26.0</u>	<u>68.0</u>	<u>69.7</u>	<u>93.4</u>	<u>95.7</u>
Total Liabilities	<u>67.7</u>	<u>63.2</u>	<u>77.7</u>	<u>77.7</u>	<u>145.4</u>	<u>140.9</u>
Net Assets						
Invested In Capital Assets, Net Of Related Debt	273.8	307.9	160.9	126.9	434.7	434.8
Restricted	0.4	2.4	30.3	41.9	30.7	44.3
Unrestricted	<u>89.3</u>	<u>23.7</u>	<u>45.6</u>	<u>54.7</u>	<u>134.9</u>	<u>78.4</u>
Total Net Assets	<u>\$ 363.5</u>	<u>\$ 334.0</u>	<u>\$ 236.8</u>	<u>\$ 223.5</u>	<u>\$ 600.3</u>	<u>\$ 557.5</u>

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2005

The net assets of the City's governmental activities increased by 8.8 percent (\$363.5 million compared to \$334.0 million). Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased by \$65.6 million or 376.8 percent. This increase is primarily attributable to governmental revenues exceeding governmental expenses by \$25.6 million and a reduction of net assets invested in capital assets, net of related debt of \$34.1 million.

The net assets of the City's business-type activities increased by 6.0 percent (\$236.8 million compared to \$223.5 million). Unrestricted net assets decreased by \$9.1 million or 16.6 percent. The decrease was primarily due to operating income for the year which amounted to \$17.6 million and capital asset additions of \$48.7 million. The City generally can only use these net assets to finance the continuing operations of the waterworks and sewerage, and parking operations.

Table 2
Condensed Statement Of Changes In Net Assets
(In Millions)

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues						
Program Revenues:						
Charges For Services	\$ 18.0	\$ 14.9	\$ 35.3	\$ 32.2	\$ 53.3	\$ 47.1
Operating Grants And Contributions	14.0	15.0	-	-	14.0	15.0
Capital Grants And Contributions	20.7	4.0	7.8	5.0	28.5	9.0
General Revenues:						
Property Taxes	22.5	20.6	-	-	22.5	20.6
Gaming Taxes	31.7	28.8	-	-	31.7	28.8
State Sales Taxes	15.0	13.0	-	-	15.0	13.0
Home Rule Sales Taxes	16.0	16.7	-	-	16.0	16.7
Utility Taxes	6.9	6.5	-	-	6.9	6.5
State Income Taxes	5.0	4.1	-	-	5.0	4.1
Other Taxes	12.2	10.8	-	-	12.2	10.8
Interest And Investment Earnings	1.0	0.5	4.0	2.2	5.0	2.7
Other	0.3	0.6	-	-	0.3	0.6
Total Revenues	<u>163.3</u>	<u>135.5</u>	<u>47.1</u>	<u>39.4</u>	<u>210.4</u>	<u>174.9</u>

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2005

	Governmental Activities		Business Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Program Expenses						
<i>(Includes Indirect Expense Allocation)</i>						
General Government	\$ 26.5	\$ 21.4	\$ -	\$ -	\$ 26.5	\$ 21.4
Public Safety	64.3	60.3	-	-	64.3	60.3
Streets And Bridges	24.9	18.7	-	-	24.9	18.7
Refuse Disposal	7.6	7.0	-	-	7.6	7.0
Culture And Recreation	3.2	4.3	-	-	3.2	4.3
Community Development	7.4	6.3	-	-	7.4	6.3
Public Works	3.4	10.2	-	-	3.4	10.2
Interest On Long-Term Debt	0.4	0.8	-	-	0.4	0.8
Water And Sewer	-	-	28.4	25.1	28.4	25.1
Parking Facilities	-	-	1.1	1.1	1.1	1.1
Total Expenses	137.7	129.0	29.5	26.2	167.2	155.2
Excess Revenues Over Expenses						
Before Special Items And Transfers	25.6	6.5	17.6	13.2	43.2	19.7
Special Item - Loss On Disposal	(0.4)	-	-	(1.5)	(0.4)	(1.5)
Transfers	4.3	4.3	(4.3)	(4.3)	-	-
Change In Net Assets	29.5	10.8	13.3	7.4	42.8	18.2
Net Assets Beginning	334.0	323.2	223.5	216.1	557.5	539.3
Net Assets Ending	<u>\$ 363.5</u>	<u>\$ 334.0</u>	<u>\$ 236.8</u>	<u>\$ 223.5</u>	<u>\$ 600.3</u>	<u>\$ 557.5</u>

The City's total revenues increased by \$35.5 million or 20.3 percent. The total costs of all programs and services increased by \$12.0 million or 7.7 percent. Our analysis that follows separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for the City's governmental activities increased by \$27.8 million or 20.5 percent while total expenses increased by \$8.7 million or 6.7 percent. The increase in revenues is attributable primarily to an increase of \$16.7 million in capital grants and contributions, \$3.1 million in charges for services, a \$1.9 million rise in property tax revenue and \$2.9 million in gaming taxes. Two major contributors to the increase in expenses was the salary in the Police Protection Fund and Fire Protection Fund, which increased by \$2.2 million and \$1.7 million respectively, and the streets and bridges non-capital project cost increase of \$6.2 million.

Table 3 presents the cost of each of the City's six largest activity categories – general government, public safety, streets and bridges, culture and recreation, public works, and community development – as well as each category's *net* cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2005

The general government category included general administrative functions as well as various employee benefit programs. Public safety includes police and fire protections as well as the emergency services disaster administration program and the school crossing guard program. Streets and Bridges include the street and bridge fund, the street lighting fund, the motor fuel tax fund, the special service area fund and the tax incremental financing funds. Culture and recreation includes the coliseum fund and the economic development reserve fund. The economic development and reserve fund is a capital projects fund that is used to fund capital projects that pertain directly to culture and recreation. Public works include the neighborhood improvement program as well as the property improvement fund, the 1991 bond fund, the 2003 bond fund and the economic development reserve fund. Community development includes community development block grant fund and the Evergreen Terrace fund, which is a HUD program administered through the City.

Table 3
Governmental Activities
(In Millions)

	<u>Total Cost</u> <u>Of Services</u>		<u>Net Cost Of</u> <u>(Surplus From) Services</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General Government	\$ 26.5	\$ 21.1	\$ 10.9	\$ 5.8
Public Safety	64.3	58.1	58.7	51.8
Streets And Bridges	24.9	18.5	3.8	14.4
Culture And Recreation	3.2	4.3	2.7	4.0
Public Works	3.4	10.2	0.6	7.9
Community Development	7.4	6.3	4.3	3.8
All Others	8.0	7.8	4.0	4.8
Total	\$ 137.7	\$ 126.3	\$ 85.0	\$ 92.5

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) increased by \$7.7 million or 19.5 percent while expenses increased by \$3.3 million or 12.6 percent. The City's business-type activities are comprised of two separate and distinct activities: Water/Wastewater Utility and Parking Facilities.

Operating revenues from the parking facilities decreased by 3.4 percent (from \$1.06 million to \$1.02 million) while operating expenses increased by 19.8 percent (from \$1.04 million to \$1.06 million). The increase in expenses is mostly attributable to higher salary costs. Salary costs increased from \$559 thousand to \$615 thousand.

Operating revenues from the Water/Wastewater utility increased by \$3.1 million or 9.9 percent. The growth in revenues is attributable to growth in customer base. Total expenses increased by \$2.9 million or 12.1 percent. Operating expenses increased by \$2.8 million or 13.6 percent.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2005

THE CITY'S FUNDS

As the City completed the year, the General Fund (as presented in the balance sheet on pages 15 and 16) reported a fund balance of \$34.7 million, which is up significantly from last year's total of \$22.3 million. This increase is attributable to an increase in revenues of \$8.7 million over a broad range of categories while expenditures increased by only \$2.5 million. Also net transfers out decreased by \$5.9 million from the prior year. The City's two other major governmental funds, the Police Protection Fund and the Fire Protection Fund experienced fund balance reductions of approximately \$1.1 million and \$0.6 million, respectively, due largely to increased salary expenditures. The City's Motor Fuel Tax Fund's (a nonmajor fund) fund balance increased \$1.0 million as state allotments exceeded resource uses. The City's Waterworks and Sewage Fund's net assets were up \$7.8 million, due mainly to developer's contributions of \$7.5 million.

The City's Debt Service Fund experienced a decrease of its escrow deposits by \$1.7 million, due to the timing of debt payments. The escrow deposits are intended to provide for an economic defeasance of the City's existing general obligation debt issued prior to December 31, 2001.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. These budget amendments fall into three categories. The first category includes rollovers of certain prior year unexpended funds. The second category includes budget revisions made during the year for special projects for which funds became available. The third category is for final budget revisions that are intended to prevent budget overruns.

Even with these adjustments, the actual expenditures on the budgetary basis for the general fund were \$24.3 million below the final budget amounts. The most significant positive variance (\$20.8 million) was due to projects that were scheduled to be paid from gaming tax revenues in the general fund but were delayed and carried into the next fiscal year. Final budgeted expenditures increased \$10.5 million as compared to originally budgeted expenditures, of this amount \$10.3 million was due to the addition of gaming revenue financed projects.

The actual revenues exceeded budgeted amounts for the general fund by \$12.6 million. The more significant positive variances were a \$2.4 million in gaming tax revenues, \$1.8 million in permits, \$1.5 million in income taxes, and \$1.4 million in other fees.

The City's General Fund balance of \$34.7 million reported on page 16 differs from the General Fund's *budgetary* fund balance of \$31.7 million reported in the budgetary comparison schedule on pages 63 and 64. This is because the budgetary fund balance includes \$3.0 million in encumbrances that are reported as expenditures for budgetary purposes.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2005, the City had \$547.9 million invested in a broad range of capital assets, including police and fire equipment, buildings, roads, bridges, parking decks, and water and sewer facilities. (See Table 4 below.) This amount represents a net increase (including additions and deductions) of approximately \$65.0 million or 13.5 percent over last year.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2005

Table 4
Capital Assets At Year-End
(Net Of Depreciation, In Millions)

	Governmental Activities		Business Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Land And Land Improvements	\$ 13.5	\$ 13.5	\$ 3.6	\$ 3.5	\$ 17.1	\$ 17.0
Buildings	40.7	41.8	-	-	40.7	41.8
Waterworks And Sewerage System	-	-	199.4	150.7	199.4	150.7
Parking Facilities	-	-	3.8	4.0	3.8	4.0
Equipment	8.7	7.2	1.8	1.7	10.5	8.9
Infrastructure	<u>276.40</u>	<u>260.50</u>	<u>-</u>	<u>-</u>	<u>276.40</u>	<u>260.50</u>
Totals	<u>\$ 339.3</u>	<u>\$ 323.0</u>	<u>\$ 208.6</u>	<u>\$ 159.9</u>	<u>\$ 547.9</u>	<u>\$ 482.9</u>

This year's major additions included the following (in millions):

Roadway Infrastructure	\$ 24.4
Contributed Water Mains	3.6
Contributed Sanitary Sewers	3.9
Sewer and Water System Upgrades	<u>47.7</u>
	<u>\$ 79.6</u>

More detailed information about the City's capital assets is presented in note 6 to the financial statements.

Debt

At year-end, the City had \$80.7 million in bonds and notes outstanding verses \$85.5 million last year – a decrease of 5.6 percent – as shown in Table 5.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2005

Table 5
Outstanding Debt, At Year End
(In Millions)

	Governmental Activities		Business Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds (Backed By The City)	\$ 13.2	\$ 15.2	\$ -	\$ -	\$ 13.2	\$ 15.2
Revenue Bonds (Backed By Specific Fee Revenues)	-	-	66.0	68.3	66.0	68.3
Commercial Loans	1.5	2.0	-	-	1.5	2.0
Totals	\$ 14.7	\$ 17.2	\$ 66.0	\$ 68.3	\$ 80.7	\$ 85.5

The City issued \$12.8 million in Series 2005 General Obligation Refunding Bonds during the year to refund the majority (\$12.5 million) of outstanding 2002 General Obligation Bonds. The overall reduction in debt was due to the timely repayment of bond principal.

The City general obligation bond rating continues to be AA-, a rating that has been assigned to the City by Standard and Poor's Rating Group. More detailed information about the City's long-term debt is presented in note 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the 2006 budget, tax rates, and fees that will be charged for the business-type activities. Economic factors include population growth and the unemployment rate. Based on the most recent census, the City's population now exceeds 145,000 and continued growth is expected. There were 1,693 single-family and multi-family building permits issued in 2005. Unemployment for the area decreased from 5.9 percent in 2004 to 5.5 percent in 2005.

These indicators were taken into account when adopting the budget for 2006. On February 21, 2006, the City Council adopted the 2006 budget, which was balanced at \$240,056,988, an increase of approximately 11.6 percent as compared to the 2005 budget of \$215,199,357. The budget for 2006 governmental activities is balanced at \$193,131,189 compared to \$162,934,044 in 2005.

The real estate tax levy will again be established at a level that will result in a constant real estate tax rate. Because of an anticipated increase in the City's assessed valuation of approximately 12.2 percent, a 13.6 percent increase in the levy should still allow for a constant real estate tax rate. The levy will be \$25,066,453 in 2006 and will provide an additional \$3,005,766, which will help offset pension and salary increases.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2005

As for the City's business-type activities, the Waterworks and Sewerage Fund's budget is balanced at \$46,925,799 compared to \$52,265,313 in 2005. The budget reduction is due to decreases in capital improvement projects budgeted for completion in 2006.

Major water and wastewater projects highlight the 2006 schedule. Compliance with the Clean Water Act and the Safe Drinking Water Act requirements will require the construction of major facilities in 2003-2006. The magnitude of the projects proposed requires that funding be provided through a bond issue or other borrowing. The schedule for borrowing will be determined by the progress made on the design and permitting of the required projects. The water and sewer development program was approved in August 2003. It requires funding of \$121,891,247, which has been incorporated into the 2006 budget.

Major projects to be constructed using funding from a series of bond issues are as follows (in millions):

Radium Compliance Facilities	\$ 50.2
Aux Sable Creek Basin Wastewater Plant	30.2
Combined Sewer Overflow Elimination and Wet Weather Treatment	24.8
Interceptor System Aux Sable Creek Area	11.2
Water and Sewer Development Program	<u>5.5</u>
 Total Projects	 <u>\$ 121.9</u>

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City Office of Management and Budget at City of Joliet, 150 West Jefferson Street, Joliet, Illinois 60432-4158.

Component Units

Joliet Public Library

Separate financial statements may be obtained at the Library's business office, 150 North Ottawa Street, Joliet, Illinois 60432.

Will County Metropolitan Exposition and Auditorium Authority

Separate financial statements may be obtained at the Authority's administrative office, 15 East Van Buren Street, Joliet, Illinois 60432.

The Joliet Area Historical Museum

Separate financial statements may be obtained at the Museum's administrative office, 204 North Ottawa Street, Joliet, Illinois 60432.

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Basic Financial Statements

CITY OF JOLIET, ILLINOIS

Statement Of Net Assets December 31, 2005

ASSETS	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Current Assets:				
Cash	\$ 1,044,011	\$ 39,194	\$ 1,083,205	\$ 2,652,106
Escrow Deposits	-	4,124,754	4,124,754	-
Investments	30,609,328	108,383,282	138,992,610	544,756
Receivables				
Property Taxes, Net Of Allowance				
For Uncollectible Amounts	25,329,957	-	25,329,957	3,813,651
Intergovernmental	16,801,501	-	16,801,501	-
Accrued Interest	196,847	1,146,057	1,342,904	867
Customer Accounts, Net	-	1,263,079	1,263,079	51,680
Estimated Unbilled Usage	-	2,150,372	2,150,372	-
Special Assessments	406,800	-	406,800	-
Other	1,572,848	-	1,572,848	71,236
Inventory	1,496,871	-	1,496,871	32,755
Prepaid Expenses	-	-	-	209,435
Internal Balances	11,286,308	(11,286,308)	-	-
Total Current Assets	88,744,471	105,820,430	194,564,901	7,376,486
Noncurrent Assets:				
Unamortized Bond Discount	-	67,635	67,635	-
Unamortized Bond Issue Costs	209,493	-	209,493	-
Due From Primary Government	-	-	-	998,936
Other Receivables	-	-	-	24,912
Net Pension Obligation - Asset	2,967,570	-	2,967,570	-
Capital Assets (Net)				
Land	12,609,884	3,600,014	16,209,898	-
Infrastructure	276,368,639	-	276,368,639	-
Land Improvements	912,337	-	912,337	-
Buildings	40,738,008	-	40,738,008	-
Waterworks And Sewerage System	-	199,441,947	199,441,947	-
Parking Decks And Lots	-	3,775,504	3,775,504	-
Equipment	8,653,313	1,793,990	10,447,303	-
Library	-	-	-	13,364,964
W.C.M.E.A.A.	-	-	-	3,613,076
Historical Museum	-	-	-	7,517
Construction In Progress	-	-	-	1,053
Total Noncurrent Assets	342,459,244	208,679,090	551,138,334	18,010,458
Total Assets	\$ 431,203,715	\$ 314,499,520	\$ 745,703,235	\$ 25,386,944

See Accompanying Notes To The Basic Financial Statements.

LIABILITIES	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Current Liabilities:				
Vouchers Payable	\$ 4,077,834	\$ 4,906,169	\$ 8,984,003	\$ 327,613
Accrued Compensated Absences - Current	684,463	54,966	739,429	318,182
Accrued Interest	-	1,664,754	1,664,754	81,355
Commercial Loans	1,496,871	-	1,496,871	3,398
Bonds Payable - Current Portion	585,000	2,460,000	3,045,000	-
Taxable Debt Certificates	-	-	-	112,529
Customer Deposits And Credits	3,037,340	670,502	3,707,842	-
Estimated Liability For Self-Insured Losses	4,697,996	-	4,697,996	-
Deferred Revenue	27,612,585	-	27,612,585	665,649
Due To Primary Government	-	-	-	55,610
Other	14,008	-	14,008	117,056
Total Current Liabilities	42,206,097	9,756,391	51,962,488	1,681,392
Noncurrent Liabilities:				
Due To Component Units	-	998,936	998,936	-
Accrued Compensated Absences	13,004,792	1,044,362	14,049,154	-
General Obligation Bonds	12,595,000	-	12,595,000	-
Revenue Bonds	-	63,545,000	63,545,000	-
Unamortized Premium On Bonds	237,683	2,362,098	2,599,781	-
Deferred Amount On Refunding Of Bonds	(389,126)	-	(389,126)	-
Taxable Debt Certificates	-	-	-	155,871
Total Noncurrent Liabilities	25,448,349	67,950,396	93,398,745	155,871
Total Liabilities	67,654,446	77,706,787	145,361,233	1,837,263
NET ASSETS				
Invested In Capital Assets, Net Of Related Debt	273,843,604	160,926,084	434,769,688	16,707,295
Restricted For:				
Expendable Purposes:				
Temporary Funds	-	-	-	317,421
Debt Service	52,049	6,025,765	6,077,814	-
Capital Projects	-	24,303,901	24,303,901	-
Pension Contributions	391,104	-	391,104	-
Nonexpendable Purposes:				
Permanent Funds	-	-	-	299,362
Unrestricted	89,262,512	45,536,983	134,799,495	6,225,603
Total Net Assets	363,549,269	236,792,733	600,342,002	23,549,681
Total Liabilities And Net Assets	\$ 431,203,715	\$ 314,499,520	\$ 745,703,235	\$ 25,386,944

CITY OF JOLIET, ILLINOIS

Statement Of Activities For The Year Ended December 31, 2005

Functions / Programs	Expenses	Indirect Expense Allocation	Program Charges For Services
Primary Government:			
Governmental Activities:			
General Government	\$ 41,419,476	(\$ 14,940,140)	\$ 6,020,650
Public Safety	53,535,661	10,721,747	4,228,209
Streets And Bridges	23,917,093	996,009	288,520
Refuse Disposal	7,607,550	-	3,959,888
Culture And Recreation	3,078,267	117,178	461,577
Community Development	6,636,876	800,713	316,044
Public Works	2,775,646	644,477	2,726,988
Interest On Long-Term Debt	361,466	-	-
Total Governmental Activities	<u>139,332,035</u>	<u>(1,660,016)</u>	<u>18,001,876</u>
Business-Type Activities:			
Water And Sewer	26,763,921	1,601,427	34,240,733
Parking Facilities	<u>1,063,434</u>	<u>58,589</u>	<u>1,023,457</u>
Total Business-Type Activities	<u>27,827,355</u>	<u>1,660,016</u>	<u>35,264,190</u>
Total Primary Government	<u>\$ 167,159,390</u>	<u>\$ -</u>	<u>\$ 53,266,066</u>
Component Units:			
Public Library	\$ 4,459,916	\$ -	\$ 360,528
W.C.M.E.A.A.	4,686,721	-	3,704,755
The Joliet Area Historical Museum	<u>1,288,398</u>	<u>-</u>	<u>142,218</u>
Total Component Units	<u>\$ 10,435,035</u>	<u>\$ -</u>	<u>\$ 4,207,501</u>

See Accompanying Notes To The Basic Financial Statements.

Revenues		Net (Expense) Revenue And Changes In Net Assets			
Operating Grants And Contributions	Capital Grants And Contributions	Primary Government			Component Units
		Governmental Activities	Business-Type Activities	Total	
\$ 9,581,733	\$ -	(\$ 10,876,953)	\$ -	(\$ 10,876,953)	\$ -
1,342,987	-	(58,686,212)	-	(58,686,212)	-
114,560	20,681,752	(3,828,270)	-	(3,828,270)	-
-	-	(3,647,662)	-	(3,647,662)	-
13,670	-	(2,720,198)	-	(2,720,198)	-
2,858,167	-	(4,263,378)	-	(4,263,378)	-
89,993	-	(603,142)	-	(603,142)	-
-	-	(361,466)	-	(361,466)	-
<u>14,001,110</u>	<u>20,681,752</u>	<u>(84,987,281)</u>	<u>-</u>	<u>(84,987,281)</u>	<u>-</u>
-	7,491,232	-	13,366,617	13,366,617	-
-	261,000	-	162,434	162,434	-
-	<u>7,752,232</u>	-	<u>13,529,051</u>	<u>13,529,051</u>	-
<u>\$ 14,001,110</u>	<u>\$ 28,433,984</u>	<u>(84,987,281)</u>	<u>13,529,051</u>	<u>(71,458,230)</u>	<u>-</u>
\$ 246,771	\$ -	-	-	-	(3,852,617)
961,775	-	-	-	-	(20,191)
1,393,611	-	-	-	-	247,431
<u>\$ 2,602,157</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,625,377)</u>
General Revenues, Special Items And Transfers:					
Property Taxes		22,551,564	-	22,551,564	3,831,810
Gaming Taxes		31,721,572	-	31,721,572	-
State Sales Taxes		14,971,255	-	14,971,255	-
Home Rule Sales Taxes		16,014,490	-	16,014,490	-
Utility Taxes		6,859,743	-	6,859,743	-
State Income Taxes		5,022,638	-	5,022,638	-
Other Taxes		12,194,825	-	12,194,825	-
Revenue In Lieu Of Taxes		-	-	-	61,318
Interest And Investment Earnings		984,894	3,981,165	4,966,059	74,722
Other General Revenues		332,969	-	332,969	13,588
Special Item - Loss On Disposal Of Assets	(379,137)	-	(379,137)	-
Transfers		4,264,034	(4,264,034)	-	-
Total General Revenues, Special Items And Transfers		<u>114,538,847</u>	<u>(282,869)</u>	<u>114,255,978</u>	<u>3,981,438</u>
Change In Net Assets		29,551,566	13,246,182	42,797,748	356,061
Net Assets - Beginning (As Adjusted)		<u>333,997,703</u>	<u>223,546,551</u>	<u>557,544,254</u>	<u>23,193,620</u>
Net Assets - Ending		<u>\$ 363,549,269</u>	<u>\$ 236,792,733</u>	<u>\$ 600,342,002</u>	<u>\$ 23,549,681</u>

CITY OF JOLIET, ILLINOIS

Governmental Funds Balance Sheet / Statement Of Net Assets December 31, 2005

	General Fund	Police Protection Fund	Fire Protection Fund	Other Governmental Funds
ASSETS				
Cash	\$ 77,382	\$ 1,000	\$ 298,548	\$ 667,081
Investments	24,628,019	1,757,021	-	4,224,288
Receivables				
Property Taxes, Net Of Allowance				
For Uncollectible Amounts	2,871,188	4,787,781	1,606,613	16,064,375
Intergovernmental	5,563,407	6,863,170	2,383,511	1,991,413
Accrued Interest	153,798	16,372	-	26,677
Special Assessments	-	-	-	406,800
Other	63,003	1,007,908	257,984	243,953
Inventory	1,496,871	-	-	-
Internal Receivables	14,800,081	-	-	2,184,991
Unamortized Bond Issue Costs	-	-	-	-
Net Pension Obligation - Asset	-	-	-	-
Capital Assets, Net Of Accumulated Depreciation	-	-	-	-
 Total Assets	 <u>\$ 49,653,749</u>	 <u>\$ 14,433,252</u>	 <u>\$ 4,546,656</u>	 <u>\$ 25,809,578</u>

	Total Governmental Funds	Adjustments (Note 15)	Statement Of Net Assets
\$	1,044,011	\$ -	\$ 1,044,011
	30,609,328	-	30,609,328
	25,329,957	-	25,329,957
	16,801,501	-	16,801,501
	196,847	-	196,847
	406,800	-	406,800
	1,572,848	-	1,572,848
	1,496,871	-	1,496,871
	16,985,072 (5,698,764)	11,286,308
	-	209,493	209,493
	-	2,967,570	2,967,570
	-	339,282,181	339,282,181
\$	<u>94,443,235</u>	<u>\$ 336,760,480</u>	<u>\$ 431,203,715</u>

(Continued)

CITY OF JOLIET, ILLINOIS

Governmental Funds Balance Sheet / Statement Of Net Assets December 31, 2005

	General Fund	Police Protection Fund	Fire Protection Fund	Other Governmental Funds
LIABILITIES				
Vouchers Payable	\$ 1,741,915	\$ 1,545,599	\$ 61,233	\$ 729,087
Customer Deposits And Credits	2,975,445	326	484	61,085
Estimated Liability For Self-Insured Losses	4,697,996	-	-	-
Deferred Revenue - Property Taxes	2,871,188	4,787,781	1,606,613	16,064,375
Deferred Revenue - Other	608,869	2,802,859	1,334,844	1,586,202
Internal Payables	529,473	1,049,238	-	4,120,053
Commercial Loans	1,496,871	-	-	-
Other	1,500	-	12,508	-
Long-Term Liabilities:				
Due Within One Year	-	-	-	-
Due After One Year	-	-	-	-
Total Liabilities	14,923,257	10,185,803	3,015,682	22,560,802
FUND BALANCES (DEFICITS)				
Reserved For Encumbrances	3,001,527	171,069	36,338	4,724,866
Reserved For Inventory	1,496,871	-	-	-
Unreserved, Reported In:				
General Fund	30,232,094	-	-	-
Special Revenue Funds	-	4,076,380	1,494,636	3,040,505
Debt Service Funds	-	-	-	52,049
Capital Projects Funds	-	-	-	(4,568,644)
Total Fund Balances	34,730,492	4,247,449	1,530,974	3,248,776
Total Liabilities And Fund Balances	\$ 49,653,749	\$ 14,433,252	\$ 4,546,656	\$ 25,809,578
NET ASSETS				
Invested In Capital Assets, Net Of Related Debt				
Restricted For Debt Service				
Restricted For Pension Contributions				
Unrestricted				
Total Net Assets				
Total Liabilities And Net Assets				

See Accompanying Notes To The Basic Financial Statements.

<u>Total Governmental Funds</u>	<u>Adjustments (Note 15)</u>	<u>Statement Of Net Assets</u>
\$ 4,077,834	\$ -	\$ 4,077,834
3,037,340	-	3,037,340
4,697,996	-	4,697,996
25,329,957	-	25,329,957
6,332,774 (4,050,146)	2,282,628
5,698,764 (5,698,764)	-
1,496,871	-	1,496,871
14,008	-	14,008
-	1,269,463	1,269,463
-	25,448,349	25,448,349
<u>50,685,544</u>	<u>16,968,902</u>	<u>67,654,446</u>
7,933,800 (7,933,800)	-
1,496,871 (1,496,871)	-
30,232,094 (30,232,094)	-
8,611,521 (8,611,521)	-
52,049 (52,049)	-
(4,568,644)	4,568,644	-
<u>43,757,691</u> (<u>43,757,691)</u>	<u>-</u>
<u>\$ 94,443,235</u>		
	273,843,604	273,843,604
	52,049	52,049
	391,104	391,104
	<u>89,262,512</u>	<u>89,262,512</u>
	<u>363,549,269</u>	<u>363,549,269</u>
	<u>\$ 336,760,480</u>	<u>\$ 431,203,715</u>

CITY OF JOLIET, ILLINOIS

Statement Of Revenues, Expenditures, And Changes In Fund Balances Governmental Funds For The Year Ended December 31, 2005

	General Fund	Police Protection Fund	Fire Protection Fund	Other Governmental Funds
Revenue				
Property Taxes	\$ 1,713,840	\$ 4,382,823	\$ 1,633,891	\$ 14,821,010
Other Taxes	48,665,671	18,910,404	11,426,319	16,165,420
Federal, State And Private Grants And Allotments	930,519	1,083,597	31,719	6,016,276
Charges For Services	325,123	1,438,526	2,163,303	244,071
Interest Earnings	781,880	54,127	1,101	147,786
Licenses, Permits, Rentals And Fees	13,800,378	28,182	13,351	39,485
Fines	1,188,371	9,574	-	-
Special Assessments	18,560	-	-	550,861
Other	505,179	243,233	54,134	380,480
Total Revenue	67,929,521	26,150,466	15,323,818	38,365,389
Expenditures				
Current:				
General Government	11,069,084	-	-	372,274
Public Safety	1,114,509	29,774,189	18,551,517	519,614
Streets And Bridges	154,000	-	-	23,187,457
Refuse Disposal	7,607,550	-	-	-
Culture And Recreation	2,357,215	-	-	599,846
Employee Benefits And Pension Plans	16,600,153	32,582	16,298	12,987,005
Community Development	3,424,111	-	-	2,067,477
Capital Projects	630,633	964,637	299,172	5,758,983
Debt Service - Principal	-	-	-	2,355,000
Debt Service - Interest	-	-	-	352,226
Debt Service - Other	-	-	-	225
Total Expenditures	42,957,255	30,771,408	18,866,987	48,200,107
Revenue Over (Under) Expenditures	24,972,266	(4,620,942)	(3,543,169)	(9,834,718)
Other Financing Sources (Uses)				
Sale Of Capital Assets	10,680	-	1,157	12,000
Proceeds From Sale Of Refunding Bonds	-	-	-	12,855,000
Premium On Refunding Bonds	-	-	-	252,184
Transfer To Bond Escrow Paying Agent	-	-	-	(12,882,798)
Transfers In	3,739,867	3,488,134	2,934,359	14,036,112
Transfers Out	(16,330,536)	-	-	(1,943,886)
Net Change In Fund Balance	12,392,277	(1,132,808)	607,653	2,493,894
Fund Balances, Beginning Of Year	22,338,215	5,380,257	2,138,627	754,882
Fund Balances, End Of Year	\$ 34,730,492	\$ 4,247,449	\$ 1,530,974	\$ 3,248,776

See Accompanying Notes To The Basic Financial Statements.

Reconciliation Of The Statement Of Revenues,
Expenditures And Changes In Fund Balance Of
Governmental Funds To The Statement Of Activities
For The Year Ended December 31, 2005

Total Governmental Funds	
\$ 22,551,564	Net Change In Fund Balances -
95,167,814	Governmental Funds \$ 13,145,710
8,062,111	<i>Amounts reported for governmental activities in the</i>
4,171,023	<i>Statement Of Activities are different because</i>
984,894	Governmental funds report capital outlays as expenditures. However,
13,881,396	in the Statement Of Activities, the cost of those assets are depreciated
1,197,945	over their estimated useful lives as depreciation expense.
569,421	This is the amount of assets capitalized in the current period. 11,848,044
1,183,026	This is the amount of depreciation recorded in the current period. (11,814,766)
<u>147,769,194</u>	
11,441,358	Repayment of bond principal is an expenditure in the governmental funds, but
49,959,829	the repayment reduced long-term liabilities in the Statement Of Net Assets 2,355,000
23,341,457	
7,607,550	In governmental funds, the proceeds from long-term debt is considered an
2,957,061	other financing source, but in the Statement Of Net Assets, debt is
	reported as a liability. In the current period, proceeds were received
29,636,038	from the issuance of general obligation bonds (\$12,855,000) and
5,491,588	a premium on issuance (\$252,184). (13,107,184)
7,653,425	
2,355,000	The related bond issue costs were capitalized in the Statement of Net
352,226	Assets but were recorded as expenditures in governmental funds. 222,274
225	
<u>140,795,757</u>	The payment of \$12,882,798 to a refunding escrow agent was recorded as
	other financing uses in governmental funds, however, \$12,470,000 of
6,973,437	those payments reduced outstanding debt in the Statement Of Net Assets
23,837	and the remaining \$412,798 was deferred and is being amortized. 12,882,798
12,855,000	
252,184	Governmental funds only report the disposal of assets to the extent proceeds
(12,882,798)	are received. In the Statement Of Activities, a gain or loss is reported for
24,198,472	each disposal. This is the basis in the capital assets that were disposed. (402,974)
(18,274,422)	
	Governmental funds do not report the change in certain long-term assets and
13,145,710	liabilities, the change has been recorded in the Statement Of Net Assets:
30,611,981	Decrease in the net pension obligation - asset (435,469)
	Increase in compensated absences (689,409)
\$ 43,757,691	The City amortized bond issue costs, (\$12,781); bond premium, \$14,501; and
	the deferred amount on the issuance of refunding bonds, (\$23,672) in the
	Statement of Net Assets. (21,952)
	The City received infrastructure assets from local developers during the year. 16,607,478
	Revenues in the Statement Of Activities that do not provide current
	financial resources are not reported as revenues in the funds. (1,037,984)
	Change In Net Assets Of Governmental Activities \$ 29,551,566

CITY OF JOLIET, ILLINOIS

Statement Of Net Assets Proprietary Funds December 31, 2005

	Business-Type Activities		
	Waterworks And Sewage Fund	(Nonmajor) Parking Meter Fund	Total
ASSETS			
Current Assets			
Unrestricted Assets			
Cash	\$ 542	\$ 38,221	\$ 38,763
Escrow Deposits	4,124,754	-	4,124,754
Investments	62,227,123	469,000	62,696,123
Receivables			
Accrued Interest	576,009	1,742	577,751
Customer Accounts, Net Of \$371,234			
Allowance For Uncollectible Amounts	1,263,079	-	1,263,079
Estimated Unbilled Usage	2,150,372	-	2,150,372
Internal Receivables	2,132,154	-	2,132,154
Total Unrestricted Assets	<u>72,474,033</u>	<u>508,963</u>	<u>72,982,996</u>
Restricted Assets (1989, 2002A, 2003, And 2004 Bond Accounts)			
Cash	431	-	431
Investments	45,687,159	-	45,687,159
Accrued Interest	568,306	-	568,306
Total Restricted Assets	<u>46,255,896</u>	<u>-</u>	<u>46,255,896</u>
Total Current Assets	<u>118,729,929</u>	<u>508,963</u>	<u>119,238,892</u>
Noncurrent Assets			
Capital Assets			
Land And Land Improvements	1,248,985	2,351,029	3,600,014
Waterworks And Sewerage System	270,392,937	-	270,392,937
Parking Decks And Lots	-	6,948,333	6,948,333
Equipment	6,385,946	587,214	6,973,160
	<u>278,027,868</u>	<u>9,886,576</u>	<u>287,914,444</u>
Accumulated Depreciation	75,592,651	3,710,338	79,302,989
Total Capital Assets	<u>202,435,217</u>	<u>6,176,238</u>	<u>208,611,455</u>
Other Assets			
Unamortized Bond Discount	67,635	-	67,635
Total Noncurrent Assets	<u>202,502,852</u>	<u>6,176,238</u>	<u>208,679,090</u>
Total Assets	<u>\$ 321,232,781</u>	<u>\$ 6,685,201</u>	<u>\$ 327,917,982</u>

See Accompanying Notes To The Basic Financial Statements.

	Business-Type Activities		
	Waterworks And Sewage Fund	(Nonmajor) Parking Meter Fund	Total
LIABILITIES			
Current Liabilities			
Payable From Unrestricted Assets			
Vouchers Payable	\$ 3,583,680	\$ 52,221	\$ 3,635,901
Accrued Compensated Absences - Current	50,874	4,092	54,966
Accrued Interest Payable	1,664,754	-	1,664,754
Bonds Payable - Current Portion	2,460,000	-	2,460,000
Customer Deposits And Credits	670,502	-	670,502
Internal Payables	13,153,102	265,360	13,418,462
Payable From Restricted Assets			
Vouchers Payable	1,270,268	-	1,270,268
Total Current Liabilities	22,853,180	321,673	23,174,853
Noncurrent Liabilities			
Long Term Debt			
Due To Component Unit	-	998,936	998,936
Accrued Compensated Absences	966,607	77,755	1,044,362
Revenue Bonds Payable	63,545,000	-	63,545,000
Unamortized Premium On Revenue Bonds Payable	2,362,098	-	2,362,098
Total Noncurrent Liabilities	66,873,705	1,076,691	67,950,396
Total Liabilities	89,726,885	1,398,364	91,125,249
NET ASSETS			
Invested In Capital Assets, Net Of Related Debt	154,749,846	6,176,238	160,926,084
Restricted For:			
Debt Service	6,025,765	-	6,025,765
Capital Projects	24,303,901	-	24,303,901
Unrestricted	46,426,384	(889,401)	45,536,983
Total Net Assets	231,505,896	5,286,837	236,792,733
Total Liabilities And Net Assets	\$ 321,232,781	\$ 6,685,201	\$ 327,917,982

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CITY OF JOLIET, ILLINOIS

Statement Of Revenues, Expenses And Changes In Net Assets Proprietary Funds For The Year Ended December 31, 2005

	Business-Type Activities		
	Waterworks And Sewage Fund	(Nonmajor) Parking Meter Fund	Total
Operating Revenue *			
Charges For Services - Water	\$ 12,081,599	\$ -	\$ 12,081,599
Charges For Services - Sewer	12,235,192	-	12,235,192
Charges For Services - Other	532,040	945,577	1,477,617
Tap On/Turn On Fees	9,257,319	-	9,257,319
Fines And Other	134,583	77,880	212,463
	<u>34,240,733</u>	<u>1,023,457</u>	<u>35,264,190</u>
Operating Expense			
Personnel Services	6,931,242	614,768	7,546,010
Personnel Services - Benefits	549	-	549
Purchased Professional Services	517,050	68,890	585,940
Purchased Property Services	1,286,919	44,772	1,331,691
Other Purchased Services	116,796	36,053	152,849
Supplies	4,847,202	73,426	4,920,628
Repairs And Rehabilitation	3,216,472	45,011	3,261,483
Depreciation	6,820,733	180,196	7,000,929
Other	1,938	318	2,256
	<u>23,738,901</u>	<u>1,063,434</u>	<u>24,802,335</u>
Operating Income (Loss)	<u>10,501,832</u>	<u>(39,977)</u>	<u>10,461,855</u>
Nonoperating Revenue (Expense)			
Interest Earnings	3,977,585	3,580	3,981,165
Federal Grants	-	261,000	261,000
Amortization Of Bond Discounts And Premiums	304,488	-	304,488
Interest Expense	(3,329,508)	-	(3,329,508)
Total Nonoperating Revenue (Expense)	<u>952,565</u>	<u>264,580</u>	<u>1,217,145</u>
Income Before Transfers, Contributions And Special Items	<u>11,454,397</u>	<u>224,603</u>	<u>11,679,000</u>
Transfers Out	<u>(5,924,050)</u>	<u>-</u>	<u>(5,924,050)</u>
Capital Contributions	<u>7,491,232</u>	<u>-</u>	<u>7,491,232</u>
Change In Net Assets	13,021,579	224,603	13,246,182
Total Net Assets, Beginning Of Year	<u>218,484,317</u>	<u>5,062,234</u>	<u>223,546,551</u>
Total Net Assets, End Of Year	<u>\$ 231,505,896</u>	<u>\$ 5,286,837</u>	<u>\$ 236,792,733</u>

* All operating revenue of the Waterworks And Sewerage Fund is used as security for the Series 1989, 2002A, 2003 and 2004 revenue bonds.

CITY OF JOLIET, ILLINOIS

Statement Of Cash Flows Proprietary Funds For The Year Ended December 31, 2005

	Business-Type Activities		
	Waterworks And Sewerage Fund	(Nonmajor) Parking Meter Fund	Total
Cash Flows From Operating Activities			
Receipts From Customers	\$ 33,803,208	\$ 1,023,457	\$ 34,826,665
Payments To Suppliers	(7,262,669)	(217,410)	(7,480,079)
Payments To Employees	(6,643,102)	(592,955)	(7,236,057)
Net Cash Provided By Operating Activities	<u>19,897,437</u>	<u>213,092</u>	<u>20,110,529</u>
Cash Flows From Noncapital Financing Activities			
Federal Grant Proceeds	-	261,000	261,000
Payments To Other Funds	(6,088,800)	-	(6,088,800)
Payments From Other Funds	<u>6,473,472</u>	<u>36</u>	<u>6,473,508</u>
Net Cash Provided By Noncapital Financing Activities	<u>384,672</u>	<u>261,036</u>	<u>645,708</u>
Cash Flows From Capital And Related Financing Activities			
Purchases Of Capital Assets	(48,165,886)	(45,281)	(48,211,167)
Payments To Bond Paying Agent	(2,320,000)	-	(2,320,000)
Payment Of Bond Interest	(3,811,975)	-	(3,811,975)
Net Cash (Used In) Capital And Related Financing Activities	<u>(54,297,861)</u>	<u>(45,281)</u>	<u>(54,343,142)</u>
Cash Flows From Investing Activities			
Investment Sales Or Maturities	142,415,743	49,000	142,464,743
Investment Purchases	(112,039,036)	(469,000)	(112,508,036)
Income Received On Investments	<u>3,438,964</u>	<u>1,863</u>	<u>3,440,827</u>
Net Cash Provided By (Used In) Investing Activities	<u>33,815,671</u>	<u>(418,137)</u>	<u>33,397,534</u>
Net Increase (Decrease) In Cash	(200,081)	10,710	(189,371)
Cash And Restricted Cash, Beginning Of Year	<u>201,054</u>	<u>27,511</u>	<u>228,565</u>
Cash And Restricted Cash, End Of Year	<u>\$ 973</u>	<u>\$ 38,221</u>	<u>\$ 39,194</u>

See Accompanying Notes To The Basic Financial Statements.

	Business-Type Activities		
	Waterworks And Sewerage Fund	(Nonmajor) Parking Meter Fund	Total
Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities:			
Operating Income (Loss)	\$ 10,501,832	(\$ 39,977)	\$ 10,461,855
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By Operating Activities:			
Depreciation Expense	6,820,733	180,196	7,000,929
Changes In Assets And Liabilities			
Receivables	(495,992)	-	(495,992)
Vouchers Payable	2,724,257	51,060	2,775,317
Accrued Compensated Absences	288,140	21,813	309,953
Customer Deposits And Credits	58,467	-	58,467
Total Adjustments	9,395,605	253,069	9,648,674
Net Cash Provided By Operating Activities	\$ 19,897,437	\$ 213,092	\$ 20,110,529
Noncash Transactions			
Contributed Capital Assets	\$ 7,491,232	\$ -	\$ 7,491,232

CITY OF JOLIET, ILLINOIS

Statement Of Fiduciary Net Assets Fiduciary Funds December 31, 2005

	Pension Trust Funds
ASSETS	
Cash	\$ 9,764
Investments, At Fair Value	
U.S. Government And Agency Securities	29,980,486
U.S. Government Sponsored Agency Securities	36,257,465
Insurance Annuities	14,068,402
Certificates Of Deposit	6,276,928
Money Market Mutual Funds	6,475,141
Mutual Funds	35,777,596
Common Stock	10,747,259
Total Investments	<u>139,583,277</u>
Accrued Interest Receivable	<u>769,399</u>
Total Assets	<u>140,362,440</u>
LIABILITIES	
Accrued Investment Expenses	40,593
Miscellaneous Payable	<u>597</u>
Total Liabilities	<u>41,190</u>
NET ASSETS	
Held In Trust For Pension Benefits	<u>\$ 140,321,250</u>

CITY OF JOLIET, ILLINOIS

Statement Of Changes In Fiduciary Net Assets Fiduciary Funds For The Year Ended December 31, 2005

	Pension Trust Funds
Additions	
Contributions	
Employer Contributions	\$ 7,338,113
Plan Member Contributions	<u>3,287,604</u>
Total Contributions	<u>10,625,717</u>
Investment Income	
Net Appreciation In Fair Value Of Investments	694,797
Interest And Dividends	<u>4,949,507</u>
	5,644,304
Less Investment Expenses	<u>227,789</u>
Net Investment Income	<u>5,416,515</u>
Miscellaneous Income	<u>72,239</u>
Total Additions	<u>16,114,471</u>
Deductions	
Pension Expense, Benefit Payments	8,940,996
Refunds To Terminated Employees	108,127
Administrative And Other Expenses	<u>110,135</u>
Total Deductions	<u>9,159,258</u>
Net Increase	6,955,213
Net Assets Held In Trust For Pension Benefits	
Beginning Of Year	<u>133,366,037</u>
End Of Year	<u>\$ 140,321,250</u>

CITY OF JOLIET, ILLINOIS

Combining Statement Of Net Assets Component Units

	December 31, 2005		June 30, 2005		
	Joliet Public Library	Will County Metropolitan Exposition And Auditorium Authority	The Joliet Area Historical Museum	Total	
ASSETS					
Current Assets:					
Cash	\$ 1,574,171	\$ 977,719	\$ 100,216	\$ 2,652,106	
Investments	-	220,669	249,631	470,300	
Receivables					
Property Taxes, Net Of Allowance					
For Uncollectible Amounts	3,813,651	-	-	3,813,651	
Accrued Interest	-	867	-	867	
Customer Accounts, Net	-	49,072	2,608	51,680	
Pledges Receivable	-	-	28,837	28,837	
Other	-	32,589	-	32,589	
Inventory	-	19,696	13,059	32,755	
Prepaid Expenses	-	203,354	6,081	209,435	
 Restricted Assets (Endowment Funds)					
Investments	-	-	74,456	74,456	
Pledges Receivable	-	-	9,810	9,810	
 Total Current Assets	<u>5,387,822</u>	<u>1,503,966</u>	<u>484,698</u>	<u>7,376,486</u>	
Noncurrent Assets:					
Due From Primary Government	-	998,936	-	998,936	
Pledges Receivable	-	-	15,349	15,349	
Pledges Receivable, Permanently Restricted	-	-	9,563	9,563	
Capital Assets (Net)					
Library	13,364,964	-	-	13,364,964	
W.C.M.E.A.A.	-	3,613,076	-	3,613,076	
Historical Museum	-	-	7,517	7,517	
Construction In Progress	-	1,053	-	1,053	
 Total Noncurrent Assets	<u>13,364,964</u>	<u>4,613,065</u>	<u>32,429</u>	<u>18,010,458</u>	
 Total Assets	<u>\$ 18,752,786</u>	<u>\$ 6,117,031</u>	<u>\$ 517,127</u>	<u>\$ 25,386,944</u>	

See Accompanying Notes To The Basic Financial Statements.

	December 31, 2005	June 30, 2005		
	Joliet Public Library	Will County Metropolitan Exposition And Auditorium Authority	The Joliet Area Historical Museum	Total
LIABILITIES				
Current Liabilities:				
Vouchers Payable	\$ 103,337	\$ 214,874	\$ 9,402	\$ 327,613
Accrued Compensated Absences	189,218	82,694	46,270	318,182
Accrued Interest	-	81,355	-	81,355
Commercial Loans - Current Portion	-	3,398	-	3,398
Taxable Debt Certificates - Current Portion	-	112,529	-	112,529
Deferred Revenue - Advance Ticket Sales	-	665,649	-	665,649
Due To Primary Government	-	-	55,610	55,610
Other	-	117,056	-	117,056
Total Current Liabilities	292,555	1,277,555	111,282	1,681,392
Noncurrent Liabilities:				
Taxable Debt Certificates	-	155,871	-	155,871
Total Liabilities	292,555	1,433,426	111,282	1,837,263
NET ASSETS				
Invested In Capital Assets Net Of Related Debt	13,364,964	3,342,331	-	16,707,295
Restricted For:				
Expendable Purposes:				
Temporary Funds	-	-	317,421	317,421
Nonexpendable Purposes:				
Permanent Funds	-	210,938	88,424	299,362
Unrestricted	5,095,267	1,130,336	-	6,225,603
Total Net Assets	18,460,231	4,683,605	405,845	23,549,681
Total Liabilities And Net Assets	\$ 18,752,786	\$ 6,117,031	\$ 517,127	\$ 25,386,944

CITY OF JOLIET, ILLINOIS

Combining Statement Of Activities
Component Units
For The Year Ended June 30, 2005 And December 31, 2005

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program</u>
		<u>Charges For Services</u>
Joliet Public Library		
Library Operations	\$ 4,459,916	\$ 360,528
W.C.M.E.A.A.		
Culture And Recreation	90,981	2,170
Theatre And Rental Operations	4,595,740	3,702,585
The Joliet Area Historical Museum		
Culture And Recreation	<u>1,288,398</u>	<u>142,218</u>
 Total Component Units	 <u>\$ 10,435,035</u>	 <u>\$ 4,207,501</u>

See Accompanying Notes To The Basic Financial Statements.

		Net (Expense) Revenue And Changes In Net Assets			
		December 31, 2005	June 30, 2005		
Revenues			Will County Metropolitan	The Joliet Area	
Operating Grants And Contributions	Capital Grants And Contributions	Joliet Public Library	Exposition And Auditorium Authority	Historical Museum	Total
\$ 246,771	\$ -	(\$ 3,852,617)	\$ -	\$ -	(\$ 3,852,617)
187,902	-	-	99,091	-	99,091
773,873	-	-	(119,282)	-	(119,282)
<u>1,393,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,431</u>	<u>247,431</u>
<u>\$ 2,602,157</u>	<u>\$ -</u>	<u>(3,852,617)</u>	<u>(20,191)</u>	<u>247,431</u>	<u>(3,625,377)</u>
General Revenues:					
Property Taxes		3,831,810	-	-	3,831,810
Revenue In Lieu Of Taxes		61,318	-	-	61,318
Interest And Investment Earnings		43,009	31,576	137	74,722
Other General Revenues		<u>13,588</u>	<u>-</u>	<u>-</u>	<u>13,588</u>
Total General Revenues		<u>3,949,725</u>	<u>31,576</u>	<u>137</u>	<u>3,981,438</u>
Change In Net Assets		97,108	11,385	247,568	356,061
Net Assets - Beginning (As Adjusted)		<u>18,363,123</u>	<u>4,672,220</u>	<u>158,277</u>	<u>23,193,620</u>
Net Assets - Ending		<u>\$ 18,460,231</u>	<u>\$ 4,683,605</u>	<u>\$ 405,845</u>	<u>\$ 23,549,681</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

Introduction

The City of Joliet, Illinois (the City) was incorporated June 19, 1852. The City is a home rule unit and operates under the Council / Manager form of government. The City Council is composed of the Mayor and eight council members. The City provides services to the community that includes: police, fire, water and wastewater utility, community development, street maintenance, and general services.

The financial statements of the City of Joliet, Illinois are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (USGAAP). USGAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

The accompanying financial statements present the City of Joliet, Illinois (the primary government) and its component units. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Blended Component Units

These component units are legally separate entities from the City, but are so intertwined with the City that they are, in substance, the same as the City. The Firefighters' Pension Fund and Police Pension Fund of the City of Joliet are Illinois local governments, as such, they are a separate legal entities with their own management and budget authority. These funds exist solely to provide pension benefits for the City's firefighters and police officers and their beneficiaries. The financial statements of the Pension Funds as of and for the fiscal year ended December 31 2005, are blended in the City's basic financial statements as pension trust funds. Each pension fund prepared separately issued component unit financial statements. Those separate financial statements may be obtained at 150 W. Jefferson St., Joliet, Illinois, 60432.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

Discretely Presented Component Units

A discretely presented component unit is an entity that is legally separate from the City, but for which the City is financially accountable, or whose relationship with the City is such that exclusion would cause the City's statements to be misleading or incomplete. The City's component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

Joliet Public Library

The Joliet Public Library provides a broad range of services and reference information to area citizens, including book and film rental and audio-visual materials.

On September 1, 1875, under the provisions of an 1872 Illinois Statute, "The Illinois Local Public Library Act", the Joliet City Council adopted an ordinance providing for the establishment of a public library in Joliet. The Joliet Public Library began public service on March 7, 1876. The Library is governed by a board of library trustees consisting of nine members appointed by the Mayor of the City of Joliet and confirmed by the City Council. Board members serve three-year terms with three members being appointed annually.

The Joliet Public Library is primarily supported by property taxes. The annual budget, appropriation and levy for the Library are enacted as ordinances of the City of Joliet by the City Council of the City of Joliet. The Library receives some revenue from the sale of real property, fines and fees and from state, federal and corporate grants. Separate financial statements may be obtained at the Library's business office, 150 North Ottawa Street, Joliet, Illinois, 60432.

Will County Metropolitan Exposition And Auditorium Authority

The Will County Metropolitan Exposition And Auditorium Authority (the Authority) was created under Illinois Public Act 80-909. The original purpose of the Authority was to rehabilitate and restore a historic building, the Rialto Square Theatre. Duties of the Authority consists of promoting, operating and maintaining expositions and conventions in the metropolitan area for industrial, cultural, educational, theatrical, sports, trade and scientific exhibits and to construct, equip and maintain auditoriums and exposition buildings for such purposes. While the Authority still has the same basic purpose, theatre operations, from January 1, 1989 through December 31, 1993, have been carried out by the Rialto Square Theatre Corporation, a separate autonomous non-profit organization. As of January 1, 1994, the Authority resumed theatre operations. In 1982, the Act was amended to allow the authority to lease property as an owner and change the Authority name from Joliet to Will County Metropolitan Exposition And Auditorium Authority. The Mayor of the City of Joliet, with the consent of the City Council, appoints a voting majority of Authority's Governing Board. The City, through an intergovernmental agreement, provides a substantial amount of financial support to the Authority. The Authority operates on a fiscal year ending June 30. Separate financial statements may be obtained at the Authority's administrative office, 15 East Van Buren Street, Joliet, Illinois, 60432.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

The Joliet Area Historical Museum

The Joliet Area Historical Museum (the Museum) is an Illinois nonprofit organization incorporated in 1999. The museum was established to maintain, promote, and support a museum dedicated to presenting the history of the Joliet area to the public. The museum was opened to the public in October 2002. The museum is supported primarily through an agreement with the City of Joliet, grants, contributions and membership dues. The City, through an agreement with the Museum, provides a substantial amount of financial support to the Museum. The Museum is fiscally dependent on the City; the City approves the Museum's annual budget and the Museum cannot borrow funds without the prior approval of the City. The City has the sole and exclusive right to all income, receipts and revenues and other consideration of whatever kind or nature realized by, from or in connection with the Museum Property, the Inaugural Collection or the operation of the Museum. The Museum operates on a fiscal year ending June 30. Separate financial statements may be obtained at the Museum's administrative office, 204 North Ottawa Street, Joliet, Illinois, 60432.

No other agencies or units of local government meet the criteria of GASB Statement Numbers 14 or 39 for inclusion in the reporting entity as a component unit.

Basis Of Presentation

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and nonexchange revenue. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The City's funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City (General Fund) or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. The City's expendable financial resources (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental funds:

General Fund - The General Fund, a major fund, is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Major special revenue funds include the following:

Police Protection Fund - Accounts for all revenue and expenditures related to police department activities and programs.

Fire Protection Fund - Accounts for all revenue and expenditures for fire protection, prevention and related activities.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Funds

Proprietary funds are used to account for the City's ongoing organizations and activities, which are similar to those often, found in the private sector. The measurement focus is based upon determination of net income.

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

Major enterprise funds include the following:

Waterworks And Sewerage Fund - Accounts for the revenue and expense related to providing a safe, potable water supply for domestic and industrial usage and fire protection, and for maintaining a dependable system for collecting and treating the waste waters of the City of Joliet.

Fiduciary Funds (Not Included In Government-wide Statements)

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

Trust And Agency Funds - Trust And Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Pension Trust Funds and an Agency Fund. Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since preservation of capital is critical. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Pension trust funds include the following:

City of Joliet Police Pension Fund and City of Joliet Firefighters' Pension Fund - Account for City contributions in the form of property taxes and contributions from participants used to fund the respective pension plans and payments to beneficiaries in accordance with the Illinois Pension Code.

Agency fund – Volunteer Fund of Will County Metropolitan Exposition and Auditorium Authority: The Board of Directors of the Rialto Square Theatre Corporation (RSTC) established the Rialto Square Theatre Volunteers Organization and Fund. The purpose of the organization is to provide volunteer manpower and to promote and support the programs of the Rialto Square Theatre. The receipts generated are transferred to the Will County Metropolitan Exposition And Auditorium Authority to be used as directed by the Volunteer Board of Directors.

Measurement Focus And Basis Of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement or the "economic resources" measurement is used as appropriate:

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis Of Accounting

Government-wide Financial Statements

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

Eliminations have been made in the statement of net assets to remove the "grossing-up" effect on assets and liabilities within the governmental and business-type activities' columns for amounts reported in the individual funds as internal receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the activities' columns as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties

Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting on funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within sixty days, or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

Shared revenues remitted from the State of Illinois, such as state income tax, replacement tax, sales tax, gaming tax, automobile rental tax, paramutual tax, and State motor fuel tax allotments, are accrued applying the susceptible-to-accrual concept based upon the earlier of the month they were liabilities to the State or the month collected by the State.

Licenses and permits, charges for services (other than water), and miscellaneous revenues (except for investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Revenues from Federal and State grants and similar programs are recognized when the City has done everything necessary to establish its right to the revenue. Usually this is at the time an expenditure has been incurred for an authorized purpose.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

Proprietary Funds

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resources focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses - generally revenues from grants and interest and expenses for debt service.

Budgets And Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to the end of the first quarter (March 31), the City Manager submits to the City Council a proposed operating budget and an appropriations ordinance for the fiscal year commencing January 1. The operating budget and appropriations ordinance includes proposed expenditures and estimated revenues.
- 2) The City Council holds public hearings to discuss the proposed appropriations ordinance and budget.
- 3) After approval of the budget by the City Council, it is officially adopted by resolution. State statutes and local ordinances require that the appropriations ordinance be approved by the end of the first quarter of the current fiscal year.
- 4) Revisions to the budget line items within a fund can be authorized by the City Manager. Revisions to the budget between funds may be made in accordance with the Illinois Compiled Statutes (65 ILSC 5/8), requiring two-thirds vote of the City Council. The legal level of control is at the individual fund level. All unencumbered appropriations lapse at year-end.
- 5) Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, and Debt Service Funds through an internal reporting system. Although not legally required under Illinois Statutes, the City also prepares budgets as a control device for proprietary funds. Such budgetary integration permits the City's department managers to monitor actual revenues and expenditures relative to budgets on an ongoing basis throughout the year.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

- 6) The budget for each fund is prepared on the basis of accounting which does not differ materially from the method of accounting described in the "Basis of Accounting" except for encumbrances that do not lapse at the end of the year and for the Enterprise Funds, which do not budget for depreciation expense, and budget for capital asset purchases and debt principal payments. Annual budgets are adopted for the Enterprise Funds.

Cash And Cash Equivalents

Cash as presented in the Statement of Cash Flows for the City's Enterprise Funds consist of demand deposit accounts and petty cash funds. Investments in certificates of deposit, which may or may not have initial maturities of less than three months, are considered to be investments rather than cash.

Capital Assets

Capital assets are stated on the basis of historical cost (estimated for certain items purchased prior to December 31, 1997). Major capital asset additions are financed primarily from bond proceeds. Assets acquired through gifts or donations are recorded at their estimated fair value at the time of acquisition. The City has established a capitalization threshold of \$20,000 for infrastructure improvements, \$5,000 for land improvements, buildings, waterworks and sewerage systems, and parking decks, and \$1,000 for equipment.

Depreciation Of Capital Assets

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are shown below:

Infrastructure	40 Years
Land Improvements	8 To 15 Years
Buildings	50 Years
Waterworks And Sewerage Systems	40 Years
Parking Decks	50 Years
Equipment	10 To 15 Years

Assets of the Waterworks and Sewerage Fund acquired prior to 1957 are considered to be fully depreciated and were removed from the accounting records. Assets acquired from 1957 through 1987 will be removed from the books in future years as they become fully depreciated. This policy was enacted because the exact composition of capital assets acquired between 1957 and 1987 is not readily ascertainable and, therefore, these assets cannot be removed from the accounting records as they are physically replaced. The above policy provides a means to remove these assets from the accounting records over time. All City infrastructure constructed or acquired in fiscal years ended after June 30, 1980, have been capitalized.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

Restricted Net Assets – Proprietary Funds

Certain cash and investments along with related accrued interest receivable in the Waterworks and Sewerage Fund are restricted for debt service and capital improvements in accordance with the ordinances authorizing the issuance of the Series 1989, Series 2002A, Series 2003, and Series 2004 revenue bonds. These assets are reflected as restricted assets and reservation of net assets. When both restricted and unrestricted assets are available for the same purpose, it is the City's policy to first use restricted assets.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Encumbrances

Encumbrances are recorded when purchase orders are issued for goods or services and are reflected as a reserve portion of municipal equity. Actual expenditures are recognized when the goods or services are received. Encumbrances do not lapse at the close of the fiscal year. Outstanding encumbrances at the end of the fiscal year are accounted for by reserving a portion of the fund balance in the governmental funds.

Investments

Investments of the City are carried at fair value (See note 3). Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

Employee Compensated Absences

Employee vacation, sick time and comp time, for which the employees are eligible to receive termination payments, are recorded as a liability in the Statement Of Net Assets, the liability will be paid from the fund that the respective employee's salary is paid from.

Customer Accounts And Unbilled Receivables

Estimated sales for water and wastewater usage, which are unbilled at year-end, are recognized as current year revenue and are included in "Receivables - Estimated Unbilled Usage". Customer accounts receivable are recorded net of an allowance for uncollectible accounts.

Inventory

Inventory recorded in the general fund consists of residential real estate purchased for rehabilitation and subsequent sale under the Home Loan Program. This inventory is recorded at cost.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

1. Summary Of Significant Accounting Policies

Use Of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

2. Property Taxes

Property taxes are levied each year on all taxable real property located in the City. The amounts recorded as revenue for fiscal year 2005 represent the taxes from the 2004 and prior year levies. The budget anticipates that the 2005 property tax levy will be used to finance the 2006 expenditures. The 2005 levy has been recognized as a receivable as of December 31, 2005 but recognition as revenue has been deferred to 2006 because the revenue is not considered available to finance 2005 expenditures and is intended to finance 2006 expenditures.

Net property taxes receivable reflect the estimated collectible portion of the 2005 levies as of December 31, 2005. Property taxes receivable for prior years are immaterial and are not recorded.

Based on past experience, an allowance for estimated collection losses (2 percent of the extended levy) has been recorded to reduce the property taxes receivable to the estimated amounts collectible.

Property taxes are levied on the last Tuesday in December and attach as an enforceable lien on property on January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of levy.

All of the City's governmental funds account for property taxes as described above.

3. Cash And Investments

Primary Government

The City is authorized by the Illinois Compiled Statutes to invest in: obligations of the U.S. Treasury, its agencies and instrumentalities; savings accounts, certificates of deposit, or time deposits that are direct obligations of any bank that is insured by the Federal Deposit Insurance Corporation; commercial paper noted within the three highest classifications by at least two standard rating services; obligations of states and their political subdivisions; shares or other securities issued by savings and loan associations which are insured by the Federal Savings and Loan Insurance Corporation; insured accounts of a credit union whose principal office is located in the State of Illinois; Illinois Funds Money Market Fund; money market mutual funds where the portfolio is limited to U.S. Government Securities; and repurchase agreements where the City or its authorized third party agent takes possession of the securities. In addition, the blended component units, the Police and Firefighters' Pension Trust Funds, can invest in general and separate accounts of Illinois authorized life insurance companies and certain State of Israel obligations. The Pension Trust Funds may also invest in certain mutual funds and common stocks, in total not to exceed 35 percent of total net assets of each Fund. The Police Pension Fund had \$30,662,231 invested in mutual funds at year end, which represented 36.16 percent of the Fund's net assets of \$84,802,237.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

3. Cash And Investments

Deposits

In addition to checking accounts, the City maintains an investment pool comprised of certificates of deposit and an Illinois Funds Money Market Fund account that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Investments". The year end carrying amounts and bank balances for the City and Pension Trust Funds (excluding cash on hand of \$5,215) are as follows:

	Carrying Amount			Total Bank Balance
	Checking Accounts	Certificates Of Deposit	Total	
All City Funds Except Pension Trust Funds	\$ 5,202,743	\$ 131,232,805	\$ 136,435,548	\$ 138,752,772
Police Pension Fund	3,996	-	3,996	11,547
Firefighters' Pension Fund	5,768	6,276,928	6,282,696	6,284,802
Total	<u>\$ 5,212,507</u>	<u>\$ 137,509,733</u>	<u>\$ 142,722,240</u>	<u>\$ 145,049,121</u>

Custodial Credit Risk - this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires collateral for all deposits and investments except for those investments in the state pool (the Illinois Funds) or the federal government securities. The collateral must have a market value of not less than 100 percent of all deposits and investments. The Pension Funds' investment policies do not require collateralization of deposits or investments. As of year end, all of the bank balances were insured or collateralized by securities held in safekeeping in a custodial account at a federal reserve bank.

Investments

The City maintains an investment in the Illinois Funds Money Market Fund. The balance at December 31, 2005 was \$7,759,805. The Illinois Funds Money Market Fund is an external investment pool created by the Illinois General Assembly. The fund invests in U.S. Treasury bills and notes, fully collateralized time deposits in Illinois financial institutions, collateralized repurchase agreements, and mutual funds that invest in U.S. Treasury obligations and collateralized repurchased agreements. The fair value of the position in the Illinois Funds Money Market Fund is the same as the value of the pool shares. The Illinois State Treasurer's Investment Advisory Board has oversight responsibility over the Illinois Funds Money Market Fund.

Custodial Credit Risk - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City or Pension Funds will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The investment policies for the City and the Pension Funds as it pertains to custodial credit risk for investments were outlined above. The investments held in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. All other investments were held by the Pension Funds and were registered in the name of the Pension Funds.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

3. Cash And Investments

Concentration of Credit Risk - The City and the Pension Funds place no limit on the amount that may be invested in any one issuer, however, diversification of the investment portfolio must be appropriate as to the nature and purpose of the funds using the "prudent person rule". At year end, the City held investments in the Illinois Funds, which represented 100 percent of total City investments. The Police Pension Fund had investments (other than U.S. Government and Agency securities and mutual funds) in Federal Home Loan Banks of \$14,364,385 (17.04 percent) and Federal National Mortgage Association of \$11,707,414 (13.89 percent) which represented 5 percent or more of total Police Pension Fund investments at December 31, 2005. The Firefighter's Pension Fund had investments (other than U.S. Government and Agency securities and mutual funds) in an annuity at Transamerica Landmark of \$3,263,884 (6.66 percent) and in the Federal Home Loan Mortgage Corporation of \$2,510,139 (5.12 percent), which represented 5 percent or more of total Firefighter's Pension Fund investments at December 31, 2005.

Interest Rate Risk - The City's investment in the Illinois Funds is not exposed to interest rate risk. The Firefighters' Pension Fund does not have formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The Police Pension Fund's investment policy dictates fixed income securities are to be invested in a ladder of maturities approach, with securities generally extending over a ten-year period. As of December 31, 2005, the Pension Funds' fixed income investments, maturities (using the segmented time distribution method) and fair values were as follows:

Police Pension Fund

Investment Description	Total Fair Value 12/31/2005	Investment Maturities			
		Less Than One Year	One To Five Years	Five To Ten Years	Over Ten Years
US Treasury Bonds	\$ 596,954	\$ -	\$ -	\$ 596,954	\$ -
US Treasury Notes	17,741,858	1,751,783	11,412,506	4,577,569	-
GNMA	237,393	-	-	-	237,393
FFCB	1,587,997	860,888	242,032	485,077	-
FHLB	14,364,385	5,481,922	8,637,698	244,765	-
FHLMC	2,658,211	-	2,398,678	255,541	3,992
FNMA	11,707,414	2,194,085	6,727,954	2,417,560	367,815

Firefighters' Pension Fund

Investment Description	Total Fair Value 12/31/2005	Investment Maturities			
		Less Than One Year	One To Five Years	Five To Ten Years	Over Ten Years
US Treasury Bonds	\$ 1,140,744	\$ 795,319	\$ -	\$ -	\$ 345,425
US Treasury Notes	10,072,585	3,479,638	5,192,147	1,400,800	-
US Treasury Strips	93,576	93,576	-	-	-
GNMA	97,376	-	-	67,935	29,441
FHLB	1,099,995	-	857,567	242,428	-
FHLMC	2,510,139	-	1,187,398	1,322,741	-
FNMA	2,329,324	496,299	1,197,456	635,569	-

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

3. Cash And Investments

Credit Risk - The City's and Pension Funds' investment policies do not further limit their investment choices beyond those referred to in the Public Funds Investment Act and/or the Illinois Pension Code. As of December 31, 2005, the City's investment in the Illinois Funds was rated AAAm by Standard & Poor's rating agency. The Pension Trust Funds' investments, fair values, and credit ratings as described by Standard & Poor's rating agency were as follows:

Investment Description	Police Pension		Firefighters' Pension		Credit Rating
	Total Fair Value 12/31/2005	% of Total Invest- ments	Total Fair Value 12/31/2004	% of Total Invest- ments	
U.S. Government And Agency Securities					
US Treasury Bonds	\$ 596,954	0.71%	\$ 1,140,744	2.33%	N/A
US Treasury Notes	17,741,858	21.05%	10,072,585	20.55%	N/A
US Treasury Strips	-	0.00%	93,576	0.19%	N/A
Government National Mortgage Association	237,393	0.28%	97,376	0.20%	N/A
Subtotal	<u>18,576,205</u>	<u>22.04%</u>	<u>11,404,281</u>	<u>23.27%</u>	
U.S. Government Sponsored Agency Securities					
Federal Farm Credit Banks	1,587,997	1.88%	-	0.00%	AAA
Federal Home Loan Banks	14,364,385	17.04%	1,099,995	2.24%	AAA
Federal Home Loan Mortgage Corporation	2,658,211	3.15%	2,510,139	5.12%	AAA/A-1+
Federal National Mortgage Association	11,707,414	13.89%	2,329,324	4.75%	AAA/A-1+
Subtotal	<u>30,318,007</u>	<u>35.96%</u>	<u>5,939,458</u>	<u>12.11%</u>	
Insurance Annuities	-	0.00%	14,068,402	28.70%	N/A
Money Market Mutual Funds					
American Funds	2,172,364	2.58%	-	0.00%	AAAm
Merrill Lynch	-	0.00%	109,706	0.22%	AAAm
Wachovia Securities	-	0.00%	1,484,924	3.03%	AAAm
First Midwest Bank	2,529,246	3.00%	147,113	0.30%	AAAm
Founders Bank	31,788	0.04%	-	0.00%	AAAm
Subtotal	<u>4,733,398</u>	<u>5.62%</u>	<u>1,741,743</u>	<u>3.55%</u>	
Mutual Funds	<u>30,662,231</u>	<u>36.38%</u>	<u>5,115,365</u>	<u>10.44%</u>	N/A
Common Stock	-	0.00%	10,747,259	21.93%	N/A
Total Investments	<u>\$ 84,289,841</u>	<u>100.00%</u>	<u>\$ 49,016,508</u>	<u>100.00%</u>	

N/A - Rating Not Required.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

3. Cash And Investments

A reconciliation of the City's cash and investment balances as reported in the basic financial statements and the deposits and investments presented in this note is as follows:

Reconciliation of notes to financial statements:

Cash And Investments (Note Above)

Cash - Carrying Amount Of Deposits	\$ 142,722,240
Cash On Hand	5,215
Investments - City Investment In Illinois Funds	7,759,805
Investments - Police Pension Fund	84,289,841
Investments - Firefighters' Pension Fund	49,016,508
Total	<u>\$ 283,793,609</u>

Cash And Investments (Basic Financial Statements)

Primary Government Cash - Statement Of Net Assets	\$ 1,083,204
Primary Government Escrow Deposits - Statement Of Net Assets	4,124,754
Primary Government Investments - Statement Of Net Assets	138,992,610
Pension Trust Funds Cash - Statement Of Fiduciary Net Assets	9,764
Pension Trust Funds Investments - Statement Of Fiduciary Net Assets	139,583,277
Total	<u>\$ 283,793,609</u>

Discretely Presented Component Units

The Joliet Public Library and the Will County Metropolitan Exposition And Auditorium Authority are authorized by the Illinois Compiled Statutes to invest in instruments similar to the City as noted above.

Joliet Public Library:

At December 31, 2005, the Library's cash consisted of \$3,180 of petty cash on hand and demand deposits held at local financial institutions. The carrying amount of the Library's deposits was \$1,570,991 and the bank balance was \$1,708,335.

Custodial Credit Risk - The Library's investment policy requires collateral for all deposits in excess of FDIC limits. As of year end, all of the bank balances were insured or collateralized by securities held by the pledging financial institution's trust department in the Library's name.

Will County Metropolitan Exposition And Auditorium Authority:

At June 30, 2005, the Authority's cash consisted of \$5,150 of petty cash on hand and demand deposits held at local financial institutions. The carrying amount of the Authority's deposits was \$1,193,238 and the bank balance was \$1,238,801 all of which were insured or fully collateralized.

The Joliet Area Historical Museum:

The Museum is a nonprofit organization that reports under standards set by the Financial Accounting Standards Board. As such, reporting requirements for deposits and investments are different from GASB requirements. At year end, June 30, 2005, the Museum maintained cash of \$100,216 and investments of \$324,087. Deposit and investment risk disclosures were not available.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

4. Budget, Budget Over-Expenditures And Deficit Equity Balances

The budget is prepared on the same basis and uses the same accounting principles as are used to prepare the financial statements except for the effects of encumbrances. No supplemental appropriations were made during the year.

The budget information is presented in this report in all cases where annual appropriations are required. Unexpended budgeted amounts lapse at the end of the budget year. Spending control for most funds is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line item levels.

Expenditures exceeded the amounts budgeted for the following funds:

	Expenditures	
	Budget	Actual Budgetary Basis
<u>Special Revenue Funds</u>		
Police Protection Fund	\$ 28,553,761	\$ 30,725,896
Fire Protection Fund	18,064,006	18,876,209
Illinois Municipal Retirement Fund	5,553,835	5,645,975
Special Service Area Fund	1,510,117	1,604,962
Tax Incremental Financing Fund #2	100,000	267,958
Community Development Block Grant	876,918	1,067,390
<u>Debt Service Funds</u>		
Corporate Bond And Interest Fund	1,152,858	2,929,725

The City did not prepare budgets for the following capital project funds for the year ended December 31, 2005. These funds' revenue and expenditures were as follows:

	Revenues	Expenditures
<u>Capital Projects Funds</u>		
Neighborhood Improvement Fund	\$ -	\$ 6,188,540
Property Improvement Fund	127,092	157,750
2002 Bond Fund	10,335	569,794

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

4. Budget, Budget Over-Expenditures And Deficit Equity Balances

The following funds have deficit equity balances as of December 31, 2005 in the amounts indicated:

<u>Special Revenue Funds</u>	
Special Service Area Fund	\$ 965,812
Community Development Block Grant Fund	882,328
<u>Capital Projects Funds</u>	
Neighborhood Improvement Fund	1,874,307

5. Interfund Balances And Transfers

At December 31, 2005, interfund balances were as follows:

Fund	Internal	
	Receivable	Payable
General Fund:		
Police Protection Fund	\$ 1,049,238	\$ -
Nonmajor Governmental Funds	332,381	529,473
Waterworks And Sewerage Fund	13,153,102	
Nonmajor Enterprise Funds	265,360	-
Total General Fund	<u>14,800,081</u>	<u>529,473</u>
Police Protection Fund:		
General Fund	-	1,049,238
Total Police Protection Fund	<u>-</u>	<u>1,049,238</u>
Waterworks And Sewerage Fund:		
General Fund	-	13,153,102
Nonmajor Governmental Funds	2,132,154	-
Total Waterworks And Sewerage Fund	<u>2,132,154</u>	<u>13,153,102</u>
Nonmajor Governmental Funds	2,184,991	4,120,053
Nonmajor Enterprise Funds	-	265,360
Total Nonmajor Funds	<u>2,184,991</u>	<u>4,385,413</u>
Grand Total	<u>\$ 19,117,226</u>	<u>\$ 19,117,226</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

5. Interfund Balances And Transfers

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "internal receivables and payables." The purpose of all short term loans is to cover temporary cash shortfalls in funds with deficit cash positions, all of which are expected to be repaid within one year.

Due To Primary Government

The Museum's June 30, 2005 financial statements show a liability to the City for \$xx,xxx. This amount reflects the reclassification of unrestricted net assets at year end as agreed upon in the intergovernmental agreement between the two entities. As of July 1, 2005 this reclassification was reversed to allow the Museum to utilize the funds in the current year's operations. Therefore, this amount is not reflected on the City's financial statements as due from component unit.

Interfund transfers during the year ended December 31, 2005 were as follows:

Fund	Interfund	
	Transfers In	Transfers Out
General Fund:		
Nonmajor Governmental Funds	\$ 418,350	\$ 16,330,536
Waterworks And Sewerage Fund	3,321,517	-
Total General Fund	3,739,867	16,330,536
Police Protection Fund:		
General Fund	3,488,134	-
Total Police Protection Fund	3,488,134	-
Fire Protection Fund:		
General Fund	2,884,359	-
Waterworks And Sewerage Fund	50,000	-
Total Fire Protection Fund	2,934,359	-
Waterworks And Sewerage Fund		
General Fund	-	3,321,517
Fire Protection Fund	-	50,000
Nonmajor Governmental Funds	-	2,552,533
Total Waterworks And Sewerage Fund	-	5,924,050
Nonmajor Governmental Funds	14,036,112	1,943,886
Total Nonmajor Funds	14,036,112	1,943,886
Grand Total	\$ 24,198,472	\$ 24,198,472

Routine Transfers

All routine transfers are made to move monies between funds to finance operations and various programs in accordance with budgetary authorizations approved by the City Council. For example, the General Fund transferred \$7,417,749 to the Neighborhood Improvement Fund (a nonmajor capital projects fund) as part of the annual funding for the Neighborhood Improvement Program.

Non-routine Transfer

During the year ended the City transferred \$2,725,294 from the General Fund to the Economic Development Reserve Fund to provide funding for the completion of construction of the historical museum, the minor league ballpark, the water park, and the west-side library.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

6. Capital Assets

Capital asset activity for the year ended December 31, 2005 was as follows:

Primary Government	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 12,499,429	\$ 110,455	\$ -	\$ 12,609,884
Subtotal	12,499,429	110,455	-	12,609,884
<i>Depreciable Capital Assets:</i>				
Infrastructure	315,801,606	24,411,344	580,191	339,632,759
Land Improvements	1,851,524	-	-	1,851,524
Buildings	53,026,542	254,090	-	53,280,632
Equipment	30,156,829	3,679,633	678,925	33,157,537
Subtotal	400,836,501	28,345,067	1,259,116	427,922,452
Total At Historical Cost	413,335,930	28,455,522	1,259,116	440,532,336
<i>Less Accumulated Depreciation For:</i>				
Infrastructure	55,250,240	8,193,572	179,692	63,264,120
Land Improvements	888,985	50,202	-	939,187
Buildings	11,180,470	1,362,154	-	12,542,624
Equipment	22,971,836	2,208,838	676,450	24,504,224
Total Accumulated Depreciation	90,291,531	11,814,766	856,142	101,250,155
Governmental Activities Capital Assets, Net	\$ 323,044,399	\$ 16,640,756	\$ 402,974	\$ 339,282,181
Business-Type Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 3,530,542	\$ 69,472	\$ -	\$ 3,600,014
Subtotal	3,530,542	69,472	-	3,600,014
<i>Depreciable Capital Assets:</i>				
Waterworks And Sewerage System	215,211,680	55,181,257	-	270,392,937
Parking Decks and Lots	6,948,333	-	-	6,948,333
Equipment	6,569,689	451,670	48,199	6,973,160
Subtotal	228,729,702	55,632,927	48,199	284,314,430
Total At Historical Cost	232,260,244	55,702,399	48,199	287,914,444
<i>Less Accumulated Depreciation For:</i>				
Waterworks And Sewerage System	64,480,563	6,470,427	-	70,950,990
Parking Decks and Lots	3,006,358	166,471	-	3,172,829
Equipment	4,863,338	364,031	48,199	5,179,170
Total Accumulated Depreciation	72,350,259	7,000,929	48,199	79,302,989
Assets, Net	\$ 159,909,985	\$ 48,701,470	\$ -	\$ 208,611,455

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

6. Capital Assets

Component Units	Balance 12/31/2004	Additions	Disposals	Balance 12/31/2005
Joliet Public Library	\$ 21,723,601	\$ 540,991	\$ 924,732	\$ 21,339,860
Less Accumulated Depreciation	<u>7,857,493</u>	<u>909,137</u>	<u>791,734</u>	<u>7,974,896</u>
Joliet Public Library Capital Assets, Net	<u>\$ 13,866,108</u>	<u>\$ (368,146)</u>	<u>\$ 132,998</u>	<u>\$ 13,364,964</u>
	Balance 6/30/2004	Additions	Disposals	Balance 6/30/2005
W.C.M.E.A.A.	\$ 17,708,527	\$ 330,933	\$ -	\$ 18,039,460
Construction In Progress	3,016	1,053	3,016	1,053
Less Accumulated Depreciation	<u>13,870,820</u>	<u>555,564</u>	<u>-</u>	<u>14,426,384</u>
W.C.M.E.A.A. Capital Assets, Net	<u>\$ 3,840,723</u>	<u>\$ (223,578)</u>	<u>\$ 3,016</u>	<u>\$ 3,614,129</u>
The Joliet Area Historical Museum	\$ 12,693	\$ 6,203	\$ -	\$ 18,896
Less Accumulated Depreciation	<u>6,412</u>	<u>4,967</u>	<u>-</u>	<u>11,379</u>
The Joliet Area Historical Museum Capital Assets, Net	<u>\$ 6,281</u>	<u>\$ 1,236</u>	<u>\$ -</u>	<u>\$ 7,517</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 271,408
Public Safety	1,834,902
Streets and Bridges	8,690,650
Culture And Recreation	56,751
Community Development	<u>961,055</u>
Total Depreciation Expense	<u>\$ 11,814,766</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

7. Pension And Retirement Fund Commitments

Illinois Municipal Retirement Fund

The City's agent multiple employer defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The City is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005 was 11.30 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on an open basis). The remaining amortization period at December 31, 2005 was 27 years.

For December 31, 2005, the City's annual pension cost of \$3,216,363 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 11.6 percent per year, depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

7. Pension And Retirement Fund Commitments

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
12/31/2005	\$ 3,216,363	100%	\$ -
12/31/2004	2,704,491	100%	-
12/31/2003	2,162,245	100%	-
12/31/2002	1,980,914	100%	-
12/31/2001	1,891,857	100%	-
12/31/2000	1,884,288	100%	-
12/31/1999	1,840,920	100%	-
12/31/1998	1,851,632	100%	-
12/31/1997	1,695,327	100%	-
12/31/1996	1,667,028	100%	-

Police Pension and Firefighter's Pension Plans

Plan Descriptions

The City contributes to two single-employer defined benefit pension plans: the Joliet Police Pension Plan and the Joliet Firefighters' Pension Plan (Plans). Each plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Sworn Police and Fire personnel are covered by the Plans. The plans are part of the City of Joliet's financial reporting entity and are included in the City's financial report as pension trust funds. Although these are single-employer pension plans, the defined benefits and employee and employer contribution requirements are governed by Illinois Compiled Statutes and may only be amended by the Illinois legislature. The Joliet Police Pension Fund is administered by the Joliet Police Pension Board of Trustees. The Joliet Police Pension Fund issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to the City of Joliet Administrative Office, 150 West Jefferson Street, Joliet, Illinois 60432-4156. The Joliet Firefighters' Pension Fund is administered by the Joliet Firefighters' Pension Board of Trustees. The Joliet Firefighters' Pension Fund issues a separate financial report which may be obtained by writing to the Joliet Firefighters' administrative office, 101 East Clinton Street, Joliet, Illinois 60432. At January 1, 2004 (the date of the latest actuarial valuation) membership in each plan consisted of the following:

	Police Pension	Firefighters' Pension
Retirees And Beneficiaries Currently Receiving Benefits	110	112
Terminated Employees Entitled To But Not Yet Receiving Benefits	-	-
Active Plan Members	273	178
Total	<u>383</u>	<u>290</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

7. Pension And Retirement Fund Commitments

Summary Of Significant Accounting Policies And Plan Asset Matters

Basis Of Accounting

The Police Pension Fund and the Firefighters' Pension Fund are pension trust funds and are accounted for by the accrual basis of accounting. Employee and employer contributions are recognized as additions when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used To Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. Details regarding cash and investments were disclosed in Note 3.

Funding Policy

The City funds its contributions to the Police and Firefighter's pension plans through an annual tax levy. The levy amount is actuarially determined as the annual contribution necessary to fund the normal costs, plus the amount to amortize the unfunded accrued liability.

The City's annual pension cost and net pension asset for the police and firefighter's pension plans for the fiscal year ended December 31, 2005 were based on actuarial valuations performed as of December 31, 2003 (the most recent fiscal year for which actuarial information is available). Details were as follows:

	Police Pension Plan	Firefighter's Pension Plan
Annual Required Contribution	\$ 3,416,752	\$ 3,026,390
Interest On Net Pension Asset	(109,375)	(154,360)
Adjustment To Annual Required Contribution	62,092	87,630
Annual Pension Cost	3,369,469	2,959,660
Contributions Made	3,135,113	2,758,547
Increase (Decrease) In Net Pension Asset	(234,356)	(201,113)
Net Pension Asset At January 1, 2003	1,411,295	1,991,744
Net Pension Asset At December 31, 2003	\$ 1,176,939	\$ 1,790,631

The total net pension asset of \$2,967,570 has been recorded in the statement of net assets.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

7. Pension And Retirement Fund Commitments

	Police Pension Plan	Firefighter's Pension Plan
Contribution Rates		
City	17.52%	22.02%
Plan Members	9.91%	9.455%
Actuarial Valuation Date	1/1/2004	1/1/2004
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percentage Of Pay, Closed	Level Percentage Of Pay, Closed
Remaining Amortization Period	29 years 6 months	29 years 6 months
Asset Valuation Method	Market	Market
Actuarial Assumptions		
Investment Rate of Return	7.75%	7.75%
Projected Salary Increases	5.50%	5.50%
Cost Of Living Adjustments	3.00%	3.00%
Post-Retirement Benefit Increases	3.00%	3.00%
Inflation Rate	3.00%	3.00%

Three-Year Trend Information:

	Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Asset
Police Pension Plan:	12/31/2003	\$ 3,369,469	93.0%	\$ 1,176,939
	12/31/2002	2,786,584	101.2%	1,411,295
	12/31/2001	2,666,943	82.6%	1,378,790
Firefighters Pension Plan:	12/31/2003	\$ 2,959,660	93.2%	\$ 1,790,631
	12/31/2002	2,478,045	97.2%	1,991,744
	12/31/2001	2,305,521	82.0%	2,062,189

8. Commitments And Contingencies

Litigation

The City is currently a defendant in several lawsuits. In the opinion of the City, resolution of any of these cases, either individually or in aggregate, would not involve a substantial liability.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

8. Commitments And Contingencies

Enterprise Fund Commitments

Purchase commitments as of December 31, 2005 amounted to \$32,620,316 and \$74,498 in the Waterworks And Sewerage Fund and the Parking Meter Fund, respectively. These commitments primarily relate to capital projects.

9. Other Employee Benefits

All full-time City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. The City has recorded the liability for compensated absences using the "Vesting Method". Under the Vesting Method, the liability is measured based on the sick leave, vacation, and comp time accumulated at the balance sheet date by those employees who are eligible to receive termination payments. Amounts in excess of the payment allowed at termination are excluded because those balances are available only for use as paid time off. The City's liability for compensated absences as of December 31, 2005 is as follows:

	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005	Amount Due Within One Year
Governmental Activities	\$ 12,999,846	\$ 1,339,401	\$ 649,992	\$ 13,689,255	\$ 684,463
Business-Type Activities:					
Waterworks And					
Sewerage Fund	729,341	333,097	44,957	1,017,481	50,874
Parking Meter Fund	60,034	25,514	3,701	81,847	4,092
Total Business-Type	<u>789,375</u>	<u>358,611</u>	<u>48,658</u>	<u>1,099,328</u>	<u>54,966</u>
Total Liability	<u>\$ 13,789,221</u>	<u>\$ 1,698,012</u>	<u>\$ 698,650</u>	<u>\$ 14,788,583</u>	<u>\$ 739,429</u>

The City also maintains hospitalization and life insurance coverage for all of its full-time employees.

10. Risk Management

The City is exposed to various risks of loss related to torts: theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for its risk financing activities in the General Fund. The General Fund pays all general liabilities, unemployment and workers' compensation, and auto and collision claims for which the City is held liable. The City's Consolidated Property & Casualty Insurance Program consists of primary package insurance coverage consists of excess specific coverage for General, Auto, Police / Law Enforcement, Public Official / Employment Practices Liability (EPL), and Employee Benefit Liability (EMT). The coverage limit on the primary package policy is \$10,000,000 per occurrence and aggregate with an additional \$5,000,000 umbrella extending over the initial \$10,000,000 package limit. The Self-Insured Retention (SIR) is \$1,000,000 for all package components. Worker's Compensation Excess Specific coverage is to statutory limits with \$1,000,000 of employer's liability. The SIR for this line is \$600,000. The City's property coverage is all risk, repair or replacement Full Limit Value (FLV) with a \$100,000 deductible.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

10. Risk Management

This coverage includes Extra Expense (\$500,000 per named location), EDP equipment (FLV per named location), Valuable Papers (\$800,000 per named location), Mobile Equipment (\$1,500,000 per named location), Property in Transit and Builder's Risk coverage at various limits as well as Earthquake (\$15,000,000 with a \$50,000 deductible) coverage for a Total Insured Value (TIV) of \$152,193,192.

The City's Boiler and Machinery coverage has a \$50,000,000 per occurrence limit with a \$10,000 deductible. All coverage is on an "Occurrence" form/basis with the exception of Public Officials Liability which is on a claims made basis. There were no significant reductions in insurance coverage from the previous year. Settled claims have not exceeded the insurance coverage in the last three years.

The City also participates in an externally administered self-insurance program for workmen's compensation, unemployment compensation, and medical claims. The City's group health insurance plans maintains specific stop loss coverage for claims in excess of \$150,000 and aggregate stop loss coverage for total plan losses in excess of 125 percent of projected claims. Dental coverage benefits are limited to \$1,000 per covered individual per year. The City has recognized a liability for claims that were incurred but not reported at year end. The claims liability of \$4,840,918 reported in the General Fund at December 31, 2005 is based on Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The total of these claims are anticipated to be due within one year.

Changes in the General Fund's claim liability amount in fiscal year ended December 31, 2005 were:

	Workmans' Compensation	Health Claims	Total
Claims Liability, December 31, 2003	\$ 3,924,441	\$ 581,419	\$ 4,505,860
Incurred Claims	1,740,746	10,816,613	12,557,359
Change In Estimates	(188,208)	17,320	(170,888)
Claim Payments	(1,740,746)	(10,816,613)	(12,557,359)
Claims Liability, December 31, 2004	3,736,233	598,739	4,334,972
Incurred Claims	2,011,342	12,210,305	14,221,647
Change In Estimates	434,485	(71,461)	363,024
Claim Payments	(2,011,342)	(12,210,305)	(14,221,647)
Claims Liability, December 31, 2005	<u>\$ 4,170,718</u>	<u>\$ 527,278</u>	<u>\$ 4,697,996</u>

11. Commercial Loans

The City maintains a revolving loan account at Harris Bank, Joliet, N.A. with a one year maturity. It is used to fund the City's purchase and rehabilitation of various residences under the City's Home Loan Program. This loan had a balance outstanding on December 31, 2004 and 2005 of \$2,044,590 and \$1,496,871 respectively. The original loan of \$2,044,590 was repaid and loans were advanced of \$1,496,871 during the year ended December 31, 2005

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

12. Long-Term Debt

Changes in long-term debt during the year are as follows:

	Balance December 31, 2004	Debt Issues	Debt Retired	Balance December 31, 2005	Amounts Due Within One Year
<u>Primary Government</u>					
Governmental Activities:					
General Obligation Bonds	\$ 15,150,000	\$ 12,855,000	\$ 14,825,000	\$ 13,180,000	\$ 585,000
Business-Type Activities:					
Waterworks and Sewerage Revenue Bonds	68,325,000	-	2,320,000	66,005,000	2,460,000
Total Primary Government	\$ 83,475,000	\$ 12,855,000	\$ 17,145,000	\$ 79,185,000	\$ 3,045,000
<u>Component Units</u>					
Taxable Debt Cetificates	\$ 377,556	\$ -	\$ 109,156	\$ 268,400	\$ 112,529
Note Payable	7,285	-	3,887	3,398	3,398
Total Component Units	384,841	-	113,043	271,798	115,927
Total Reporting Entity	\$ 83,859,841	\$ 12,855,000	\$ 17,258,043	\$ 79,456,798	\$ 3,160,927

Annual debt service payments required to service all outstanding debt at December 31, 2005 are as follows:

Governmental Activities:

General Obligation Bonds:

Years Ending December 31,	Interest	Principal	Total
2006	\$ 537,344	\$ 585,000	\$ 1,122,344
2007	508,794	615,000	1,123,794
2008	490,344	640,000	1,130,344
2009	471,144	665,000	1,136,144
2010	447,869	695,000	1,142,869
2011-2015	1,835,081	3,955,000	5,790,081
2016-2020	952,212	4,905,000	5,857,212
2021	53,200	1,120,000	1,173,200
	<u>\$ 5,295,988</u>	<u>\$ 13,180,000</u>	<u>\$ 18,475,988</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

12. Long-Term Debt

Business-Type Activities:

Revenue Bonds:

Years Ending December 31,	Interest	Principal	Total
2006	\$ 3,257,767	\$ 2,460,000	\$ 5,717,767
2007	3,106,938	2,655,000	5,761,938
2008	2,943,512	2,800,000	5,743,512
2009	2,732,480	4,395,000	7,127,480
2010	2,472,013	4,595,000	7,067,013
2011-2015	9,107,570	23,810,000	32,917,570
2016-2020	2,861,275	21,705,000	24,566,275
2021-2022	181,625	3,585,000	3,766,625
	<u>\$ 26,663,180</u>	<u>\$ 66,005,000</u>	<u>\$ 92,668,180</u>

Component Units:

Years Ending June 30,	Interest	Principal	Total
2006	\$ 7,145	\$ 115,927	\$ 123,072
2007	3,343	116,241	119,584
2008	268	39,630	39,898
	<u>\$ 10,756</u>	<u>\$ 271,798</u>	<u>\$ 282,554</u>

General Obligation Bonds Payable

General obligations outstanding at December 31, 2005 are summarized as follows:

	Series	Interest Rates	Dated	Principal
General Obligation Issue	2002	3.65-5.625%	1/15/2002	\$ 550,000
General Obligation Refunding Issue	2005	3.00-4.75%	5/1/2005	<u>12,630,000</u>
				<u>\$ 13,180,000</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

12. Long-Term Debt

Escrow Account

The City has placed Gaming Tax Revenue in an escrow account at the First National Bank of Joliet. These funds, along with interest earned on the escrow account, will be used to pay general obligation bonds outstanding as of December 31, 2001. The City does not anticipate having to levy additional taxes to service the general obligation bonds currently outstanding. The City has not committed to a defeasance of these bonds. By not formally defeasing these bonds, the City retains the option of calling these bonds at their call dates or allowing them to remain outstanding until their maturity. The 2002 bond issue is expected to be paid from future Gaming Tax Revenue.

2002 Series Bonds

The 2002 Series Bonds are General Obligation Bonds issued January 15, 2002 for \$15,000,000, to finance street improvements. These general obligation bonds are payable in varying amounts beginning December 30, 2002 until December 30, 2021. Bonds due December 30, 2002-2006, inclusive, are non-callable. Bonds due December 30, 2007-2021, inclusive, are callable in whole or in part on any date after December 30, 2006, at a price of par and accrued interest.

2005 Series Bonds

The 2005 Series Bonds are General Obligation Refunding Bonds with an issue date of May 1, 2005 for \$12,855,000, issued to advance refund the majority of outstanding 2002 Series Bonds. The 2005 Series Bonds are payable in varying amounts beginning December 15, 2005 until December 15, 2021. Interest is due semi-annually at rates ranging from 3.00 percent to 4.75 percent. Bonds due December 30, 2005-2014, inclusive, are non-callable. Bonds due December 30, 2015-2021, inclusive, are callable in whole or in part on any date on or after December 30, 2014, at a price of par and accrued interest.

Current Year Advance Refunding: In connection with the advance refunding of the 2002 Series Bonds, the City used the bond proceeds of \$12,855,000 along with the bond premium of \$252,184 to advance refund \$12,470,000 of outstanding General Obligation Bond Series 2002. The proceeds net of the issuance costs of \$222,274, were used to purchase U.S. Government securities (\$12,882,798). Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased portion of the above-mentioned bonds. As a result, that portion of the 2002 Series bonds are considered to be defeased and the liability for these bonds has been removed from the statement of net assets. The refunding of the bonds resulted in a decrease of total debt service for the City over the next sixteen years of \$499,804 and an economic gain (the difference between the present value of the new and old debt) of \$152,015.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

12. Long-Term Debt

Revenue Bonds Payable

Revenue obligations outstanding at December 31, 2005 are summarized as follows:

	<u>Series</u>	<u>Interest Rates</u>	<u>Dated</u>	<u>Principal</u>
Revenue Bond	1989	6.75 - 9.75%	10/1/1989	\$ 9,600,000
Revenue Bond	2002A	3.00 - 5.00%	3/1/2002	21,405,000
Revenue Bond	2003	3.80 - 4.00%	12/1/2003	10,000,000
Revenue Bond	2004	5.00%	3/1/2004	<u>25,000,000</u>
				<u>\$ 66,005,000</u>

1989 Series Bonds

The 1989 Series Bonds are Waterworks and Sewerage Fund Revenue Bonds issued October 1, 1989 for \$19,200,000 at 6.75 percent - 9.75 percent. These bonds were issued to fund in part, the construction of a new water supply system using the Kankakee River as a source. These bonds are payable in varying amounts from January 1, 1992 until January 1, 2010.

The City is required to hold in reserve \$1,901,011, which represents 10 percent of the original net proceeds received from the bond issue. This reserve is reflected as "Net Assets, Restricted for Bond Debt Service" in the financial statements.

The 1989 Series Bonds were originally sold to the Illinois Development Finance Authority (IDFA). A secondary sale of these bonds by IDFA during 1992 resulted in a \$433,076 gain to the City. The City irrevocably waived its right to optionally redeem the Bonds prior to their stated maturity in order to facilitate the secondary sale of the Bonds.

2002A Series Bonds

On March 1, 2002, the City issued \$23,800,000 Waterworks and Sewerage Revenue Bonds. The bond proceeds were used to finance the construction and improvement of the Westside Wastewater Treatment Plant. These revenue bonds are payable in varying amounts beginning January 1, 2003 until January 1, 2022. Bonds due January 1, 2003-2012, inclusive, are non-callable. Bonds due January 1, 2013-2022, inclusive, are callable in whole or in part on any date on or after January 1, 2012, at a price of par and accrued interest. The interest rates on the bonds range from 3.00 percent to 5.00 percent.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

12. Long-Term Debt

2003 Series Bonds

On December 1, 2003, the City issued \$10,000,000 Waterworks and Sewerage Revenue Bonds. The bond proceeds were used to finance the construction and improvement of water supply facilities, including the construction of hydrous manganese oxide radium removal facilities at ten locations throughout the existing water system. These revenue bonds are payable in varying amounts beginning January 1, 2017 until January 1, 2019. The bonds are callable in whole or in part on any date on or after January 1, 2013. The interest rates on the bonds range from 3.80 percent to 4.00 percent.

2004 Series Bonds

The City issued \$25,000,000 of water revenue bonds dated March 1, 2004 to be used to finance the construction and improvement of water supply facilities. The bonds are payable in varying annual installments from January 1, 2009 through January 1, 2016. The bonds are callable in whole or in part on any date on or after January 1, 2013. The interest rate on the bonds is 5.00 percent.

Current And Prior-Year Defeasance Of Debt

In the current fiscal year and in prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2005, \$29,915,000 of bonds outstanding is considered defeased.

13. Conduit Debt Obligations

On December 13, 1999, the City issued Special Service Area No. 66 Unlimited Tax Bond, Series 1999 in the amount of \$9,250,000 to Raceway Associates L.L.C. to provide for improvements to infrastructure around the facility. These bonds are special limited liability obligations of the City payable solely and only from the levy of an Ad Valorem tax in Special Service Area No. 66 of which Raceway Associates L.L.C. is the sole taxpayer. The bonds do not constitute a debt or pledge of the faith and credit of the City, and accordingly have not been reported in the accompanying financial statements. At December 31, 2005, the Special Service Area No. 66 Unlimited Tax Bond, Series 1999 outstanding balance was \$6,850,000.

On June 1, 1997, the City issued Economic Development Revenue Bond (Route 66 Project), Series 1997 in the amount of \$4,000,000 to Route 66 Raceway to provide for improvements to infrastructure around the facility. These bonds are special limited liability obligations of the City, payable solely and only from the revenues and receipts derived from the Construction Agreement and Tax Deferred Obligation. The bonds do not constitute a debt or pledge of the faith and credit of the City, and accordingly have not been reported in the accompanying financial statements. At December 31, 2005, the Economic Development Revenue Bond (Route 66 Project), Series 1997 outstanding balance was \$2,895,719.

The total conduit debt outstanding at December 31, 2005 was \$9,745,719.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2005

14. Significant Waterworks And Sewage Fund Customers

Revenue from water and sewer service charges and annual usage in cubic feet from the ten largest users for the year ended December 31, 2005 are as follows:

	Annual Usage Cubic Feet	Revenues
Village Of Shorewood	44,408,400	\$ 919,407
Ecolab, Inc.	23,038,500	539,515
Ineos Silicas Americans LLC	36,694,600	802,617
Village Of Rockdale	24,539,200	699,074
Silver Cross Hospital	10,941,900	483,464
Joliet Junior College	15,171,800	300,710
Will County	3,551,500	148,500
Southeast Joliet Sanitary District	3,544,700	80,566
St. Joseph Hospital	5,502,000	235,546
Illinois Department Of Corrections	5,647,000	226,230
Total Ten Largest System Users	173,039,600	\$ 4,435,629
Total System Users	1,432,441,529	\$ 24,316,791
Ten Largest As A Percentage Of Total System Users	12.08%	18.24%

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2005

15. Explanation Of Differences Between The Governmental Funds Balance Sheet And The Statement Of Net Assets

	Total Governmental Funds	Long-Term Assets, Liabilities (1)	Reclassifications And Eliminations (2)	Statement Of Net Assets
ASSETS				
Cash	\$ 1,044,011	\$ -	\$ -	\$ 1,044,011
Investments	30,609,328	-	-	30,609,328
Receivables, Net	44,307,953	-	-	44,307,953
Inventory	1,496,871	-	-	1,496,871
Internal Receivables	16,985,072	-	(5,698,764)	11,286,308
Unamortized Bond Issue Costs	-	209,493	-	209,493
Net Pension Obligations-Asset	-	2,967,570	-	2,967,570
Capital Assets	-	339,282,181	-	339,282,181
Total Assets	<u>\$ 94,443,235</u>	<u>\$ 342,459,244</u>	<u>\$ (5,698,764)</u>	<u>\$ 431,203,715</u>
LIABILITIES				
Voucher Payable	\$ 4,077,834	\$ -	\$ -	\$ 4,077,834
Customer Deposits And Credits	3,037,340	-	-	3,037,340
Estimated Liability For Self-Insured Losses	4,697,996	-	-	4,697,996
Deferred Revenues-Taxes	25,329,957	-	-	25,329,957
Deferred Revenues-Other	6,332,774	(4,050,146)	-	2,282,628
Internal Payables	5,698,764	-	(5,698,764)	-
Commercial Loans	1,496,871	-	-	1,496,871
Other	14,008	-	-	14,008
Long-Term Liabilities				
Due Within One Year	-	1,269,463	-	1,269,463
Due After One Year	-	25,448,349	-	25,448,349
Total Liabilities	<u>50,685,544</u>	<u>22,667,666</u>	<u>(5,698,764)</u>	<u>67,654,446</u>
FUND BALANCES/NET ASSETS				
Total Fund Balance/ Net Assets	<u>43,757,691</u>	<u>319,791,578</u>	<u>-</u>	<u>363,549,269</u>
Total Liabilities And Fund Balance / Net Assets	<u>\$ 94,443,235</u>	<u>\$ 342,459,244</u>	<u>\$ (5,698,764)</u>	<u>\$ 431,203,715</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

15. Explanation Of Differences Between The Governmental Funds Balance Sheet And The Statement Of Net Assets

- (1) When capital assets (land, buildings, and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Costs Of Capital Assets	\$ 440,532,336
Less Accumulated Depreciation	<u>101,250,155</u>
	<u>\$ 339,282,181</u>

Amounts determined as the net pension obligation (assets) to fund the Police and Firefighters' Pension Funds are not current assets and are not included in the fund balances of the governmental funds. These assets are reported in the statement of net assets.

Net Pension Obligation - Asset	<u>\$ 2,967,570</u>
--------------------------------	---------------------

The bond issuance costs of the 2005 general obligation refunding bonds have been recorded as expenditure for governmental fund reporting but they have been capitalized and amortized for the statement of net assets.

Unamortized Bond Issuance Cost	<u>\$ 209,493</u>
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Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Deferred Revenue - Other	<u>\$ 4,050,146</u>
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net assets.

General Obligation Bonds And Compensated Absences:	
Due Within One Year	\$ 1,269,463
Due After One Year	<u>25,448,349</u>
Total General Obligation Bonds	<u>\$ 26,717,812</u>

- (2) Internal payables have been netted against internal receivables and displayed in the asset section of the statement of net assets. This net amount will be entirely offset by a reciprocal balance in the business-type activities resulting in a complete elimination of internal balances in the primary government total column.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2005

16. Prior Period Adjustments

City - Governmental Funds/Activities:

The City increased fund balances to reverse the effects of recording long-term compensated absences in governmental funds as follows: General Fund, \$1,373,314; Police Protection Fund, \$5,453,061; Fire Protection Fund, \$2,620,617; Vehicle Road And Bridge Fund, \$732,293; Community Development Block Grant Fund, \$40,895; and the Coliseum Fund, \$79,937, totaling \$10,300,117.

The City increased net assets for the governmental fund liabilities reductions described above, and reduced net assets of governmental activities by \$12,999,846 to recognize the beginning of the year long-term compensated absences liability, as adjusted to include related employee benefits.

The City increased net assets for governmental fund intergovernmental receivables totaling \$3,968,832 not previously recorded.

Governmental fund infrastructure capital assets recorded using estimated historical cost values were reduced by \$52,258,577 based upon improved cost estimates

Library – Component Unit:

In prior year accrued sick leave and related expense was not recognized. As a result, beginning of year net assets were reduced by \$189,458.

Museum – Component Unit:

According to the "Agreement between the City of Joliet and The Joliet Area Historical Museum" the Museum should not recognize any receivable from the City relating to the annual support agreement. In prior years the Museum recognized the annual funding commitment from the City at the beginning of the each calendar year. This resulted in a \$105,025 reduction of beginning of the year temporarily restricted net assets.

In addition, the agreement requires the Museum to reclassify any year end "unrestricted net assets" as a liability due to the City. This resulted in a \$63,912 reduction of beginning of year unrestricted net assets.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF JOLIET, ILLINOIS

Required Supplementary Information
December 31, 2005

Illinois Municipal Retirement Fund
(Unaudited)

Schedule Of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ©	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
12/31/05	\$ 71,349,648	\$ 90,557,455	\$ 19,207,807	78.79%	\$ 28,463,386	67.48%
12/31/04	66,159,323	81,804,581	15,645,258	80.87%	26,054,826	60.05%
12/31/03	66,578,108	78,564,141	11,986,033	84.74%	24,626,937	48.67%
12/31/02	65,966,567	73,429,630	7,463,063	89.84%	23,141,522	32.25%
12/31/01	63,997,788	64,591,276	593,488	99.08%	21,522,830	2.76%
12/31/00	58,503,835	58,464,360	(39,475)	100.07%	20,217,680	-0.20%
12/31/99	49,773,137	51,284,527	1,511,390	97.05%	18,708,544	8.08%
12/31/98	41,822,678	46,074,112	4,251,434	90.77%	17,551,019	24.22%
12/31/97	34,324,151	39,755,963	5,431,812	86.34%	16,195,297	33.54%
12/31/96	29,216,505	35,813,029	6,596,524	81.58%	15,018,270	43.92%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$72,183,868. On a market basis, the funded ratio would be 79.71 percent.

Digest Of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
December 31, 2005

Police And Firefighters' Pension Plans

Schedules Of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ©	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
<i>POLICE PENSION PLAN:</i>						
1/1/2003	\$ 73,027,542	\$ 114,090,354	\$ 41,062,812	64.01%	\$ 16,455,079	249.54%
1/1/2002	69,055,310	101,110,706	32,055,396	68.30%	15,139,851	211.73%
1/1/2001	64,357,889	95,352,319	30,994,430	67.49%	14,250,308	217.50%
1/1/2000	59,526,218	86,490,435	26,964,217	68.82%	13,064,106	206.40%
1/1/1999	55,470,774	75,462,790	19,992,016	73.51%	11,960,196	167.15%
1/1/1998	50,251,127	68,031,289	17,780,162	73.86%	11,403,102	155.92%
<i>FIREFIGHTER'S PENSION PLAN:</i>						
1/1/2003	\$ 52,346,958	\$ 81,785,148	\$ 29,438,190	64.01%	\$ 11,889,353	247.60%
1/1/2002	52,051,036	73,920,220	21,869,184	70.42%	11,200,576	195.25%
1/1/2001	50,786,052	71,835,215	21,049,163	70.70%	11,089,742	189.81%
1/1/2000	47,979,994	68,593,241	20,613,247	69.95%	10,086,281	204.37%
1/1/1999	44,529,555	60,702,119	16,172,564	73.36%	8,578,548	188.52%
1/1/1998	42,310,347	55,836,421	13,526,074	75.78%	7,817,607	173.02%

* The information is based on the actuarial value of plan assets per the Gabriel, Roeder, Smith & Company's most recently available actuarial valuation report. The asset value includes receivables for contributions not yet received but attributable to prior plan years.

** This amount is based on the Entry Age Normal Method. The Entry Age Normal is used to determine the required contribution.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
December 31, 2005

Schedules Of Employer Contributions

Year Ended December 31,	Police Pension Plan		Firefigher's Pension Plan	
	Annual		Annual	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
2004	\$ 3,950,970	81.62%	\$ 3,417,986	85.11%
2003	3,416,752	91.76%	3,026,390	91.15%
2002	2,834,145	99.47%	2,549,186	94.45%
2001	2,728,818	84.25%	2,393,275	79.00%
2000	2,440,672	84.09%	2,080,480	80.24%
1999	2,046,548	87.68%	1,710,170	93.13%

As stated in the actuary's report the required contribution are for the following tax levy year. Therefore; the year ending December 31, 2004 required contributions are for the 2005 tax levy and will be collected during the fiscal year ending December 31, 2006.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information

General Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Local Taxes:				
Property Taxes	\$ 2,169,050	\$ 2,169,050	\$ 1,713,840	\$ -
Home Rule Sales Tax	20,000	20,000	480,957	-
Utility Tax	6,216,904	6,216,904	6,974,852	-
Real Estate Transfer Tax	2,647,788	2,647,788	3,683,732	-
Title And Registration Tax	135,760	135,760	150,266	-
Amusement Tax	200,000	200,000	92,022	-
Hotel Motel Tax	1,422,041	1,422,041	1,568,219	-
Food And Beverage Tax	1,500	1,500	1,815	-
Payments In Lieu Of Taxes	45,000	45,000	61,966	-
State Shared Revenues:				
Income Taxes	-	-	1,513,483	-
Sales And Use Taxes	1,280,732	1,280,732	2,206,734	-
Gaming Tax	29,273,614	29,273,614	31,721,572	-
Para Mutual Tax	192,410	192,410	180,943	-
Automobile Rental Tax	23,897	23,897	29,110	-
Federal Grants	580,013	580,013	430,519	-
State Grants	19,000	19,000	500,000	-
Charges For Services	39,000	39,000	325,123	-
Licenses	345,365	345,365	407,110	-
Permits	2,178,675	2,178,675	3,957,060	-
Rentals	546,600	546,600	556,538	-
Franchise Fees	1,049,488	1,049,488	1,119,017	-
Municipal Waste Fees	3,367,940	3,367,940	3,957,223	-
Inspection Fees	455,000	455,000	835,441	-
Other Fees	1,521,465	1,521,465	2,967,989	-
Fines	1,025,000	1,025,000	1,188,371	-
Interest Earnings	276,000	276,000	781,880	-
Special Assessments	-	-	18,560	-
Miscellaneous	342,596	342,596	505,179	-
 Total Revenue	 <u>55,374,838</u>	 <u>55,374,838</u>	 <u>67,929,521</u>	 <u>-</u>

	<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 1,713,840	(\$ 455,210)	
-	480,957	460,957	
-	6,974,852	757,948	
-	3,683,732	1,035,944	
-	150,266	14,506	
-	92,022	(107,978)	
-	1,568,219	146,178	
-	1,815	315	
-	61,966	16,966	
-	1,513,483	1,513,483	
-	2,206,734	926,002	
-	31,721,572	2,447,958	
-	180,943	(11,467)	
-	29,110	5,213	
-	430,519	(149,494)	
-	500,000	481,000	
-	325,123	286,123	
-	407,110	61,745	
-	3,957,060	1,778,385	
-	556,538	9,938	
-	1,119,017	69,529	
-	3,957,223	589,283	
-	835,441	380,441	
-	2,967,989	1,446,524	
-	1,188,371	163,371	
-	781,880	505,880	
-	18,560	18,560	
-	505,179	162,583	
-	67,929,521	12,554,683	

(Continued)

CITY OF JOLIET, ILLINOIS

Required Supplementary Information General Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Expenditures				
Personnel Services	\$ 7,887,837	\$ 7,927,527	\$ 7,463,368	\$ -
Personnel Services - Benefits	15,958,383	15,677,442	16,600,153	-
Professional Services	8,656,713	8,794,318	8,905,149	(128,056)
Property Services	363,493	351,073	278,613	(23,203)
Other Services	1,311,581	1,289,424	1,276,272	(28,897)
Supplies	203,816	235,163	227,247	(28,087)
Property And Projects	19,599,699	29,853,603	7,535,713	(1,187,160)
Other	4,252,824	4,584,574	670,740	(182,437)
Total Expenditures	<u>58,234,346</u>	<u>68,713,124</u>	<u>42,957,255</u>	<u>(1,577,840)</u>
Revenue Over (Under) Expenditures	(2,859,508)	(13,338,286)	24,972,266	1,577,840
Other Financing Sources (Uses)				
Sale Of Capital Assets	-	-	10,680	-
Transfers In	3,749,417	3,749,417	3,739,867	-
Transfers Out	(9,097,787)	(9,097,787)	(16,330,536)	-
Net Change In Fund Balance	(<u>\$ 8,207,878</u>)	(<u>\$ 18,686,656</u>)	12,392,277	1,577,840
Fund Balance, Beginning Of Year			<u>22,338,215</u>	<u>(1,577,840)</u>
Fund Balance, End Of Year			<u>\$ 34,730,492</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 7,463,368	\$ 464,159
-	16,600,153	(922,711)
101,049	8,878,142	(83,824)
6,079	261,489	89,584
39,915	1,287,290	2,134
823	199,983	35,180
2,719,527	9,068,080	20,785,523
<u>134,134</u>	<u>622,437</u>	<u>3,962,137</u>
<u>3,001,527</u>	<u>44,380,942</u>	<u>24,332,182</u>
(3,001,527)	23,548,579	36,886,865
-	10,680	10,680
-	3,739,867	(9,550)
<u>-</u>	<u>(16,330,536)</u>	<u>(7,232,749)</u>
(3,001,527)	10,968,590	<u>\$ 29,655,246</u>
<u>-</u>	<u>20,760,375</u>	
<u>(\$ 3,001,527)</u>	<u>\$ 31,728,965</u>	

CITY OF JOLIET, ILLINOIS

Required Supplementary Information

Police Protection Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 4,319,946	\$ 4,319,946	\$ 4,382,823	\$ -
Sales Tax	3,766,725	3,766,725	3,822,502	-
Home Rule Sales Tax	8,340,761	8,340,761	8,492,088	-
Replacement Tax	850,000	850,000	1,085,421	-
Income Tax	4,406,846	4,406,846	4,458,225	-
Food And Beverage Service Tax	1,035,907	1,035,907	1,052,168	-
Federal Grants	13,043	13,043	187,590	-
State Grants	835,904	835,904	896,007	-
Charges For Services	539,420	539,420	1,438,526	-
Fines	7,000	7,000	9,574	-
Interest Earnings	18,980	18,980	54,127	-
Rentals	27,000	27,000	28,182	-
Other	13,560	13,560	243,233	-
Total Revenue	<u>24,175,092</u>	<u>24,175,092</u>	<u>26,150,466</u>	<u>-</u>
Expenditures				
Public Safety				
Personnel Services	26,341,138	25,683,709	27,857,450	-
Personnel Benefits	32,000	33,000	32,582	-
Professional Services	254,310	278,551	289,738	(5,136)
Property Services	677,526	699,948	679,034	(16,623)
Other Services	163,475	155,557	160,122	(80)
Supplies	167,683	141,610	144,688	(29)
Property And Projects	1,236,406	1,558,186	1,605,202	(194,013)
Other	2,500	3,200	2,592	(700)
Total Expenditures	<u>28,875,038</u>	<u>28,553,761</u>	<u>30,771,408</u>	<u>(216,581)</u>
Revenue Over (Under) Expenditures	(4,699,946)	(4,378,669)	(4,620,942)	216,581
Other Financing Sources				
Transfers In	<u>3,488,134</u>	<u>3,488,134</u>	<u>3,488,134</u>	<u>-</u>
Net Change In Fund Balance	<u>(\$ 1,211,812)</u>	<u>(\$ 890,535)</u>	<u>(1,132,808)</u>	<u>216,581</u>
Fund Balance, Beginning Of Year			<u>5,380,257</u>	<u>(216,581)</u>
Fund Balance, End Of Year			<u>\$ 4,247,449</u>	<u>\$ -</u>

Plus Ending Encumbrances	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
\$ -	\$ 4,382,823	\$ 62,877
-	3,822,502	55,777
-	8,492,088	151,327
-	1,085,421	235,421
-	4,458,225	51,379
-	1,052,168	16,261
-	187,590	174,547
-	896,007	60,103
-	1,438,526	899,106
-	9,574	2,574
-	54,127	35,147
-	28,182	1,182
-	243,233	229,673
-	26,150,466	1,975,374
-	27,857,450	(2,173,741)
-	32,582	418
44,234	328,836	(50,285)
11,787	674,198	25,750
200	160,242	(4,685)
38,980	183,639	(42,029)
75,868	1,487,057	71,129
-	1,892	1,308
171,069	30,725,896	(2,172,135)
(171,069)	(4,575,430)	(196,761)
-	3,488,134	-
(171,069)	(1,087,296)	(\$ 196,761)
-	5,163,676	
(\$ 171,069)	\$ 4,076,380	

CITY OF JOLIET, ILLINOIS

Required Supplementary Information

Fire Protection Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Property Taxes	\$ 1,609,913	\$ 1,609,913	\$ 1,633,891	\$ -
Sales Tax	5,700,000	5,700,000	5,715,936	-
Home Rule Sales Tax	2,900,000	2,900,000	2,945,202	-
Replacement Tax	850,000	850,000	1,085,421	-
Income Tax	487,395	487,395	487,395	-
Food And Beverage Service Tax	1,035,908	1,035,908	1,107,060	-
Foreign Fire Tax	-	-	85,305	-
Federal Grants	-	-	28,669	-
State Grants	-	-	3,050	-
Ambulance Fees	1,200,000	1,200,000	1,534,480	-
Paramedic Fees	-	-	612,353	-
Fire Alarms	16,200	16,200	16,470	-
Interest Earnings	416	416	1,101	-
Other Fees	1,780	1,780	13,351	-
Other	1,400	1,400	54,134	-
Total Revenue	<u>13,803,012</u>	<u>13,803,012</u>	<u>15,323,818</u>	<u>-</u>
Expenditures				
Public Safety				
Personnel Services	16,358,789	17,172,542	17,862,656	-
Personnel Benefits	10,000	17,000	16,298	-
Professional Services	144,200	168,150	187,612 (4,510)
Property Services	139,500	144,888	137,508 (13,434)
Other Services	98,708	84,618	89,001 (3,086)
Supplies	117,200	133,288	131,475 (3,323)
Property And Projects	338,600	343,520	442,437 (2,763)
Total Expenditures	<u>17,206,997</u>	<u>18,064,006</u>	<u>18,866,987 (</u>	<u>27,116)</u>
Revenue Over (Under) Expenditures	(3,403,985)	(4,260,994)	(3,543,169)	27,116
Other Financing Sources				
Sale Of Capital Assets	-	-	1,157	-
Transfers In	2,934,359	2,934,359	2,934,359	-
Net Change In Fund Balance	(\$ 469,626)	(\$ 1,326,635)	(607,653)	27,116
Fund Balance, Beginning Of Year			2,138,627 (27,116)
Fund Balance, End Of Year			<u>\$ 1,530,974</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 1,633,891	\$ 23,978
-	5,715,936	15,936
-	2,945,202	45,202
-	1,085,421	235,421
-	487,395	-
-	1,107,060	71,152
-	85,305	85,305
-	28,669	28,669
-	3,050	3,050
-	1,534,480	334,480
-	612,353	612,353
-	16,470	270
-	1,101	685
-	13,351	11,571
-	54,134	52,734
<u>-</u>	<u>15,323,818</u>	<u>1,520,806</u>
-	17,862,656 (690,114)
-	16,298	702
5,790	188,892 (20,742)
10,901	134,975	9,913
2,680	88,595 (3,977)
5,080	133,232	56
11,887	451,561 (108,041)
<u>36,338</u>	<u>18,876,209 (</u>	<u>812,203)</u>
(36,338) (3,552,391)	708,603
-	1,157	1,157
<u>-</u>	<u>2,934,359</u>	<u>-</u>
(36,338) (616,875)	\$ <u>709,760</u>
<u>-</u>	<u>2,111,511</u>	
(\$ <u>36,338)</u>	\$ <u>1,494,636</u>	

CITY OF JOLIET, ILLINOIS

Notes To Required Supplementary Information December 31, 2005

Police And Firefighters' Pension Plans

The information presented in the required supplementary schedules for the Police and Firefighters' Pension Plans was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuations follows:

	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Actuarial Valuation Date	January 1, 2004	January 1, 2004
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percentage Of Pay, Closed	Level Percentage Of Pay, Closed
Remaining Amortization Period	29 ½ Years	29 ½ Years
Asset Valuation Method	Market	Market
Actuarial Assumptions:		
Investment Rate Of Return	7.75 percent	7.75 percent
Projected Salary Increases	5.50 percent	5.50 percent
Inflation Rate	3.00 percent	3.00 percent

Budgetary Basis Of Accounting

The City prepares the budget for the general fund and for each special revenue fund on the modified accrual basis of accounting except that encumbrances that do not lapse at the end of the year are included. Adjustments for these encumbrances are presented in the budgetary comparison schedules in order to reconcile the budgetary basis of accounting to the GAAP basis of accounting.

OTHER SUPPLEMENTARY INFORMATION

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Mayor And City Council Department				
Mayor And City Council				
Personnel Services	\$ 294,618	\$ 261,718	\$ 260,402	\$ -
Professional Services	600	535	320	-
Property Services	1,200	1,200	600	-
Other Services	18,400	15,793	12,581	-
Supplies	1,900	3,287	3,260	(250)
Property And Projects	167,000	167,000	29,178	-
Other	10,000	10,000	5,907	-
Total	<u>493,718</u>	<u>459,533</u>	<u>312,248</u>	<u>(250)</u>
Liquor Commission				
Personnel Services	69,491	53,578	53,764	-
Professional Services	1,200	1,050	826	-
Other Services	4,910	5,085	4,100	(125)
Supplies	300	150	100	-
Total	<u>75,901</u>	<u>59,863</u>	<u>58,790</u>	<u>(125)</u>
City Clerk				
Personnel Services	195,136	196,094	196,563	-
Personnel Benefits	200	200	25	-
Professional Services	420	351	351	-
Property Services	9,200	9,231	4,632	-
Other Services	8,303	8,294	8,683	(200)
Supplies	2,235	2,350	1,948	-
Property And Projects	32,082	32,640	32,640	-
Total	<u>247,576</u>	<u>249,160</u>	<u>244,842</u>	<u>(200)</u>
Total Mayor And City Council Department	<u>817,195</u>	<u>768,556</u>	<u>615,880</u>	<u>(575)</u>
City Manager Department				
Administration				
Personnel Services	250,112	253,362	254,202	-
Professional Services	1,900	1,700	1,948	-
Property Services	1,600	1,600	800	-
Other Services	2,940	2,800	2,042	-
Supplies	1,800	1,947	2,068	-
Property And Projects	1,000	1,000	-	-
Total	<u>259,352</u>	<u>262,409</u>	<u>261,060</u>	<u>-</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 260,402	\$ 1,316
-	320	215
-	600	600
-	12,581	3,212
-	3,010	277
-	29,178	137,822
-	5,907	4,093
-	311,998	147,535
-	53,764	(186)
-	826	224
98	4,073	1,012
-	100	50
98	58,763	1,100
-	196,563	(469)
-	25	175
-	351	-
-	4,632	4,599
50	8,533	(239)
252	2,200	150
-	32,640	-
302	244,944	4,216
400	615,705	152,851
-	254,202	(840)
-	1,948	(248)
-	800	800
-	2,042	758
-	2,068	(121)
-	-	1,000
-	261,060	1,349
(Continued)		

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
City Manager Department				
Deputy City Manager				
Personnel Services	\$ 285,116	\$ 299,261	\$ 293,008	\$ -
Personnel Benefits	300	300	180	-
Professional Services	1,200	1,200	1,283	-
Property Services	31,000	31,416	15,616	(132)
Other Services	44,125	27,306	20,910	(23,600)
Supplies	2,700	2,200	2,011	-
Property And Projects	500	500	500	-
Total	<u>364,941</u>	<u>362,183</u>	<u>333,508</u>	<u>(23,732)</u>
Visitor Services				
Personnel Services	140,955	141,731	141,758	-
Personnel Benefits	-	1,937	2,062	-
Professional Services	63,819	59,490	62,098	-
Property Services	10,000	10,435	5,646	-
Other Services	65,159	72,982	71,944	-
Supplies	49,000	74,800	74,597	(25,995)
Property And Projects	-	7,819	6,082	(5,250)
Total	<u>328,933</u>	<u>369,194</u>	<u>364,187</u>	<u>(31,245)</u>
Total City Manager	<u>953,226</u>	<u>993,786</u>	<u>958,755</u>	<u>(54,977)</u>
Department Of Management And Budget				
Management And Budget Administration				
Personnel Services	175,597	179,101	178,509	-
Personnel Benefits	1,000	1,000	292	-
Professional Services	1,468	1,500	1,188	-
Property Services	3,500	3,800	2,156	-
Other Services	6,907	3,269	2,524	-
Supplies	2,350	2,950	2,635	-
Property And Projects	1,500	3,240	3,240	-
Total	<u>192,322</u>	<u>194,860</u>	<u>190,544</u>	<u>-</u>
Finance Division				
Finance Administration				
Personnel Services	178,518	179,499	179,755	-
Personnel Benefits	200	200	-	-
Professional Services	1,055	1,020	1,020	-
Other Services	2,191	364	162	-
Supplies	600	550	491	-
Property And Projects	1,200	600	150	-
Total	<u>183,764</u>	<u>182,233</u>	<u>181,578</u>	<u>-</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 293,008	\$ 6,253
-	180	120
-	1,283	(83)
-	15,484	15,932
30,940	28,250	(944)
-	2,011	189
-	500	-
<u>30,940</u>	<u>340,716</u>	<u>21,467</u>
-	141,758	(27)
-	2,062	(125)
-	62,098	(2,608)
-	5,646	4,789
-	71,944	1,038
-	48,602	26,198
-	832	6,987
-	<u>332,942</u>	<u>36,252</u>
<u>30,940</u>	<u>934,718</u>	<u>59,068</u>
-	178,509	592
-	292	708
-	1,188	312
-	2,156	1,644
-	2,524	745
40	2,675	275
-	3,240	-
<u>40</u>	<u>190,584</u>	<u>4,276</u>
-	179,755	(256)
-	-	200
-	1,020	-
-	162	202
-	491	59
-	150	450
-	<u>181,578</u>	<u>655</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Department Of Management And Budget				
Finance Division				
Accounting				
Personnel Services	\$ 245,724	\$ 249,334	\$ 249,689	\$ -
Personnel Benefits	600	600	119	-
Professional Services	660	610	610	-
Property Services	2,500	2,500	1,250	-
Other Services	5,010	4,812	4,623	(40)
Supplies	450	550	423	(13)
Property And Projects	500	450	230	-
Total	<u>255,444</u>	<u>258,856</u>	<u>256,944</u>	<u>(53)</u>
Collections				
Personnel Services	396,075	403,295	404,836	-
Personnel Benefits	200	-	-	-
Professional Services	5,000	5,000	-	-
Property Services	12,500	12,500	6,250	-
Other Services	3,310	3,016	3,536	-
Supplies	4,235	4,222	3,724	-
Property And Projects	9,100	8,821	2,206	-
Total	<u>430,420</u>	<u>436,854</u>	<u>420,552</u>	<u>-</u>
Purchasing				
Personnel Services	170,241	173,534	173,541	-
Personnel Benefits	1,300	1,093	733	-
Professional Services	350	395	385	-
Property Services	30,137	30,237	27,372	-
Other Services	2,248	2,642	2,415	(320)
Supplies	1,250	1,193	1,093	-
Property And Projects	5,100	4,647	5,049	-
Total	<u>210,626</u>	<u>213,741</u>	<u>210,588</u>	<u>(320)</u>
Total Finance Division	<u>1,080,254</u>	<u>1,091,684</u>	<u>1,069,662</u>	<u>(373)</u>
Data Processing				
Personnel Services	293,289	294,259	294,972	-
Personnel Benefits	500	500	130	-
Professional Services	58,151	56,380	47,186	-
Property Services	38,898	38,693	29,996	-
Other Services	132,133	138,512	155,034	(3,064)
Supplies	600	1,630	3,996	-
Property And Projects	-	-	4,995	-
Total	<u>523,571</u>	<u>529,974</u>	<u>536,309</u>	<u>(3,064)</u>

Plus Ending Encumbrances	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
\$ -	\$ 249,689	(\$ 355)
-	119	481
-	610	-
-	1,250	1,250
-	4,583	229
-	410	140
-	230	220
-	256,891	1,965
-	404,836	(1,541)
-	-	-
-	-	5,000
-	6,250	6,250
-	3,536	(520)
17	3,741	481
-	2,206	6,615
17	420,569	16,285
-	173,541	(7)
-	733	360
-	385	10
551	27,923	2,314
-	2,095	547
-	1,093	100
-	5,049	(402)
551	210,819	2,922
568	1,069,857	21,827
-	294,972	(713)
-	130	370
473	47,659	8,721
-	29,996	8,697
4,062	156,032	(17,520)
-	3,996	(2,366)
-	4,995	(4,995)
4,535	537,780	(7,806)

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Department Of Management And Budget				
Business License				
Personnel Services	\$ 211,540	\$ 217,878	\$ 219,230	\$ -
Professional Services	225	211	211	-
Property Services	5,900	5,900	2,950	-
Other Services	10,034	9,802	8,037	(449)
Supplies	1,800	3,076	3,556	-
Property And Projects	300	300	383	-
Total	<u>229,799</u>	<u>237,167</u>	<u>234,367</u>	<u>(449)</u>
Special Accounts				
Personnel Services	1,001,300	1,026,397	628,528	-
Personnel Services - Benefits	15,935,651	15,654,440	16,586,825	-
Professional Services	257,185	266,149	286,838	-
Other Services	916,809	902,398	887,662	-
Property And Projects	4,277,664	5,521,143	2,467,627	(561,753)
Other	742,824	1,059,574	657,810	(167,437)
Total	<u>23,131,433</u>	<u>24,430,101</u>	<u>21,515,290</u>	<u>(729,190)</u>
Gang Task Force				
Professional Services	88,000	122,487	88,700	(34,487)
Property And Projects	13,000	13,000	-	-
Total	<u>101,000</u>	<u>135,487</u>	<u>88,700</u>	<u>(34,487)</u>
 Total Department Of Management And Budget	 <u>25,258,379</u>	 <u>26,619,273</u>	 <u>23,634,872</u>	 <u>(767,563)</u>
Department Of Public Service				
Community And Economic Development Administration				
Personnel Services	214,904	217,102	217,101	-
Personnel Services - Benefits	500	-	-	-
Professional Services	21,550	31,076	30,204	-
Property Services	4,600	4,600	2,300	-
Other Services	3,672	3,232	3,231	-
Supplies	1,100	1,300	1,066	(70)
Total	<u>246,326</u>	<u>257,310</u>	<u>253,902</u>	<u>(70)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 219,230	(\$ 1,352)
-	211	-
-	2,950	2,950
-	7,588	2,214
-	3,556	(480)
-	383	(83)
<u>-</u>	<u>233,918</u>	<u>3,249</u>
-	628,528	397,869
-	16,586,825	(932,385)
15,200	302,038	(35,889)
-	887,662	14,736
2,502,363	4,408,237	1,112,906
119,134	609,507	450,067
<u>2,636,697</u>	<u>23,422,797</u>	<u>1,007,304</u>
-	54,213	68,274
-	-	13,000
<u>-</u>	<u>54,213</u>	<u>81,274</u>
<u>2,641,840</u>	<u>25,509,149</u>	<u>1,110,124</u>
-	217,101	1
-	-	-
133	30,337	739
-	2,300	2,300
-	3,231	1
-	996	304
<u>133</u>	<u>253,965</u>	<u>3,345</u>
<i>(Continued)</i>		

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Department Of Public Service				
Planning And Economic Development				
Personnel Services	\$ 711,309	\$ 682,617	\$ 671,516	\$ -
Personnel Services - Benefits	11,232	12,417	7,316	-
Professional Services	338,300	338,353	309,159	(25,441)
Property Services	8,470	8,720	4,458	-
Other Services	38,868	42,949	40,693	(1,099)
Supplies	15,864	16,025	13,263	(712)
Property And Projects	20,200	20,200	-	-
Total	<u>1,144,243</u>	<u>1,121,281</u>	<u>1,046,405</u>	<u>(27,252)</u>
Neighborhood Services				
Personnel Services	379,844	480,174	382,193	-
Professional Services	40,000	40,000	26,952	-
Property Services	550	550	275	-
Other Services	-	765	765	-
Property And Projects	516,000	597,505	376,482	-
Total	<u>936,394</u>	<u>1,118,994</u>	<u>786,667</u>	<u>-</u>
Inspectional Services				
Personnel Services	741,912	733,582	724,895	-
Personnel Benefits	2,400	1,000	616	-
Professional Services	2,690	3,401	3,545	-
Property Services	1,750	1,750	875	-
Other Services	7,657	7,677	7,706	-
Supplies	3,757	3,554	3,396	(83)
Property And Projects	600	351	351	-
Total	<u>760,766</u>	<u>751,315</u>	<u>741,384</u>	<u>(83)</u>
Total Department Of Public Service	<u>3,087,729</u>	<u>3,248,900</u>	<u>2,828,358</u>	<u>(27,405)</u>
Human Resources Department				
Administration				
Personnel Services	163,249	163,473	162,495	-
Personnel Benefits	1,000	650	350	-
Professional Services	59,750	41,200	36,039	-
Property Services	3,400	3,700	1,924	(74)
Other Services	3,634	3,716	3,032	-
Supplies	1,350	1,492	1,489	(142)
Property And Projects	1,500	1,500	1,482	-
Total	<u>233,883</u>	<u>215,731</u>	<u>206,811</u>	<u>(216)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 671,516	\$ 11,101
-	7,316	5,101
45,379	329,097	9,256
-	4,458	4,262
4,335	43,929	(980)
360	12,911	3,114
-	-	20,200
<u>50,074</u>	<u>1,069,227</u>	<u>52,054</u>
-	382,193	97,981
2,332	29,284	10,716
-	275	275
-	765	-
-	376,482	221,023
<u>2,332</u>	<u>788,999</u>	<u>329,995</u>
-	724,895	8,687
-	616	384
-	3,545	(144)
-	875	875
-	7,706	(29)
-	3,313	241
-	351	-
<u>-</u>	<u>741,301</u>	<u>10,014</u>
<u>52,539</u>	<u>2,853,492</u>	<u>395,408</u>
-	162,495	978
-	350	300
3,409	39,448	1,752
-	1,850	1,850
-	3,032	684
-	1,347	145
-	1,482	18
<u>3,409</u>	<u>210,004</u>	<u>5,727</u>
		(Continued)

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Human Resources Department				
Board Of Fire And Police				
Personnel Services	\$ 20,800	\$ 27,503	\$ 35,013	\$ -
Professional Services	77,890	105,340	167,330	-
Property Services	5,188	5,188	2,730	-
Other Services	1,135	417	122	-
Supplies	250	250	230	-
Property And Projects	500	500	445	-
Total	<u>105,763</u>	<u>139,198</u>	<u>205,870</u>	<u>-</u>
Personnel				
Personnel Services	165,493	166,430	168,160	-
Personnel Benefits	300	300	-	-
Professional Services	1,300	1,300	1,128	-
Property Services	690	690	345	-
Other Services	24,185	25,662	25,689	-
Supplies	1,100	1,131	1,127	(31)
Property And Projects	900	953	150	(53)
Total	<u>193,968</u>	<u>196,466</u>	<u>196,599</u>	<u>(84)</u>
Risk Management				
Personnel Services	271,664	273,495	273,198	-
Personnel Benefits	500	300	-	-
Professional Services	1,030	1,030	1,047	-
Property Services	1,160	1,160	580	-
Other Services	2,851	2,417	1,902	-
Supplies	855	928	790	(73)
Property And Projects	26,900	26,900	26,157	-
Total	<u>304,960</u>	<u>306,230</u>	<u>303,674</u>	<u>(73)</u>
Copy Center				
Personnel Services	67,501	67,944	73,388	-
Property Services	38,000	35,553	33,139	(864)
Other Services	205	176	182	-
Supplies	29,650	29,650	29,308	-
Property And Projects	11,700	11,715	10,522	(30)
Total	<u>147,056</u>	<u>145,038</u>	<u>146,539</u>	<u>(894)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 35,013	(\$ 7,510)
-	167,330	(61,990)
-	2,730	2,458
85	207	210
-	230	20
-	445	55
<u>85</u>	<u>205,955</u>	<u>(66,757)</u>

-	168,160	(1,730)
-	-	300
-	1,128	172
-	345	345
345	26,034	(372)
-	1,096	35
-	97	856
<u>345</u>	<u>196,860</u>	<u>(394)</u>

-	273,198	297
-	-	300
-	1,047	(17)
-	580	580
-	1,902	515
-	717	211
526	26,683	217
<u>526</u>	<u>304,127</u>	<u>2,103</u>

-	73,388	(5,444)
1,128	33,403	2,150
-	182	(6)
-	29,308	342
1,200	11,692	23
<u>2,328</u>	<u>147,973</u>	<u>(2,935)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Human Resources Department				
Buildings And Grounds				
Personnel Services	\$ 598,812	\$ 540,264	\$ 583,632	\$ -
Personnel Benefits	1,000	1,000	-	-
Professional Services	8,000	4,000	1,995	-
Property Services	140,200	127,100	124,622	(22,133)
Other Services	1,050	1,115	1,131	-
Supplies	50,600	48,652	43,920	(718)
Property And Projects	38,300	69,865	32,596	(550)
Total	<u>837,962</u>	<u>791,996</u>	<u>787,896</u>	<u>(23,401)</u>
 Total Human Resources Department	 <u>1,823,592</u>	 <u>1,794,659</u>	 <u>1,847,389</u>	 <u>(24,668)</u>
 Legal Department				
Personnel Services	575,836	581,358	581,234	-
Personnel Benefits	1,500	1,505	1,505	-
Professional Services	101,500	119,228	154,963	(286)
Property Services	12,500	14,000	7,153	-
Other Services	4,345	2,648	2,495	-
Supplies	25,500	29,000	28,734	-
Property And Projects	3,000	3,000	1,355	-
Total Legal Department	<u>724,181</u>	<u>750,739</u>	<u>777,439</u>	<u>(286)</u>
 Refuse Disposal				
Personnel Services	68,801	64,544	61,786	-
Professional Services	7,523,470	7,523,470	7,539,850	-
Property Services	550	550	275	-
Other Services	1,500	1,575	1,617	-
Supplies	4,570	4,276	4,022	-
Total Refuse Disposal	<u>7,598,891</u>	<u>7,594,415</u>	<u>7,607,550</u>	<u>-</u>
 Gaming Tax Account				
Property And Projects	14,471,153	22,805,740	3,791,640	-
Other	-	-	575	-
Total Gaming Tax Account	<u>14,471,153</u>	<u>22,805,740</u>	<u>3,792,215</u>	<u>-</u>
 Miscellaneous Management And Budget				
Other (Contingency)	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>	<u>-</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 583,632	(\$ 43,368)
-	-	1,000
-	1,995	2,005
4,400	106,889	20,211
-	1,131	(16)
154	43,356	5,296
30,000	62,046	7,819
<u>34,554</u>	<u>799,049</u>	<u>(7,053)</u>
 41,247	 1,863,968	 (69,309)
 -	 581,234	 124
-	1,505	-
-	154,677	(35,449)
-	7,153	6,847
-	2,495	153
-	28,734	266
-	1,355	1,645
<u>-</u>	<u>777,153</u>	<u>(26,414)</u>
 -	 61,786	 2,758
-	7,539,850	(16,380)
-	275	275
-	1,617	(42)
-	4,022	254
<u>-</u>	<u>7,607,550</u>	<u>(13,135)</u>
 55,338	 3,846,978	 18,958,762
-	575	(575)
<u>55,338</u>	<u>3,847,553</u>	<u>18,958,187</u>
 -	 -	 3,500,000
		(Continued)

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Non-Budget Expenditures				
Professional Services	\$ -	\$ 67,842	\$ 139,973	(\$ 67,842)
Property Services	-	-	2,669	-
Other Services	-	-	3,454	-
Property And Projects	-	549,221	738,133	(614,531)
Other	-	-	6,448	-
Total Non-Budget	<u>-</u>	<u>617,063</u>	<u>890,677</u>	<u>(682,373)</u>
Prior Year's Encumbrances				
Property And Projects	-	4,993	4,120	(4,993)
Other	-	15,000	-	(15,000)
Total Prior Year's Encumbrances	<u>-</u>	<u>19,993</u>	<u>4,120</u>	<u>(19,993)</u>
Total General Fund	<u>\$ 58,234,346</u>	<u>\$ 68,713,124</u>	<u>\$ 42,957,255</u>	<u>(\$ 1,577,840)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ 34,123	\$ 106,254	(\$ 38,412)
-	2,669	(2,669)
-	3,454	(3,454)
129,412	253,014	296,207
-	6,448	(6,448)
<u>163,535</u>	<u>371,839</u>	<u>245,224</u>
688	(185)	5,178
<u>15,000</u>	<u>-</u>	<u>15,000</u>
<u>15,688</u>	<u>(185)</u>	<u>20,178</u>
<u>\$ 3,001,527</u>	<u>\$ 44,380,942</u>	<u>\$ 24,332,182</u>

CITY OF JOLIET, ILLINOIS

All Nonmajor Governmental Funds Combining Balance Sheet December 31, 2005

ASSETS	Special Revenue Funds	Debt Service Fund
Cash	\$ 660,295	\$ 1,578
Investments	3,956,021	-
Receivables		
Property Taxes, Net Of Allowance For Uncollectible Amounts	16,064,375	-
Intergovernmental	1,991,413	-
Accrued Interest	25,968	-
Special Assessments	406,800	-
Other	190,061	-
Internal Receivables	1,756,884	50,471
Total Assets	<u>\$ 25,051,817</u>	<u>\$ 52,049</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Vouchers Payable	\$ 610,874	\$ -
Customer Deposits And Credits	52	-
Deferred Revenue		
Property Taxes, 2005 Levy	16,064,375	-
Other	1,541,889	-
Internal Payables	1,982,940	-
Total Liabilities	<u>20,200,130</u>	<u>-</u>
Fund Balances (Deficits)		
Reserved For Encumbrances	1,811,182	-
Unreserved	3,040,505	52,049
Total Fund Balances (Deficits)	<u>4,851,687</u>	<u>52,049</u>
Total Liabilities And Fund Balances	<u>\$ 25,051,817</u>	<u>\$ 52,049</u>

Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 5,208	\$ 667,081
268,267	4,224,288
-	16,064,375
-	1,991,413
709	26,677
-	406,800
53,892	243,953
377,636	2,184,991
<u>\$ 705,712</u>	<u>\$ 25,809,578</u>

\$ 118,213	\$ 729,087
61,033	61,085
-	16,064,375
44,313	1,586,202
2,137,113	4,120,053
<u>2,360,672</u>	<u>22,560,802</u>
2,913,684	4,724,866
(4,568,644)	(1,476,090)
(1,654,960)	3,248,776
<u>\$ 705,712</u>	<u>\$ 25,809,578</u>

CITY OF JOLIET, ILLINOIS

All Nonmajor Governmental Funds Combining Statement Of Revenue, Expenditures And Changes In Fund Balances For The Year Ended December 31, 2005

	Special Revenue Funds	Debt Service Fund
Revenue		
Property Taxes	\$ 14,821,010	\$ -
Other Taxes	16,165,420	-
Federal And State Grants And Allotments	6,016,276	-
Charges For Services	244,071	-
Interest Earnings	124,550	4,830
Rentals And Fees	39,485	-
Special Assessments	431,840	-
Other	380,480	-
	<hr/>	<hr/>
Total Revenue	38,223,132	4,830
	<hr/>	<hr/>
Expenditures		
Current:		
General Government	-	222,274
Public Safety	425,583	-
Streets And Bridges	19,442,225	-
Culture And Recreation	288,646	-
Employee Benefits And Pension Plans	12,987,005	-
Community Development	2,067,477	-
Capital Projects	3,143,362	-
Debt Service - Principal	-	2,355,000
Debt Service - Interest	-	352,226
Debt Service - Other	-	225
	<hr/>	<hr/>
Total Expenditures	38,354,298	2,929,725
	<hr/>	<hr/>
Revenue Over (Under) Expenditures	(131,166)	(2,924,895)
	<hr/>	<hr/>
Other Financing Sources (Uses)		
Sale Of Capital Assets	12,000	-
Proceeds From Sale Of Refunding Bonds	-	12,855,000
Premium On Refunding Bonds	-	252,184
Transfer To Bond Escrow Paying Agent	-	(12,882,798)
Transfers In	2,767,533	1,125,536
Transfers Out	(818,350)	-
	<hr/>	<hr/>
Net Change In Fund Balance	1,830,017	(1,574,973)
	<hr/>	<hr/>
Fund Balances (Deficits), Beginning Of Year	3,021,670	1,627,022
	<hr/>	<hr/>
Fund Balances (Deficits), End Of Year	\$ 4,851,687	\$ 52,049
	<hr/>	<hr/>

	Capital Projects Funds	Total Nonmajor Governmental Funds
\$	-	\$ 14,821,010
	-	16,165,420
	-	6,016,276
	-	244,071
	18,406	147,786
	-	39,485
	119,021	550,861
	-	380,480
	<u>137,427</u>	<u>38,365,389</u>
	150,000	372,274
	94,031	519,614
	3,745,232	23,187,457
	311,200	599,846
	-	12,987,005
	-	2,067,477
	2,615,621	5,758,983
	-	2,355,000
	-	352,226
	-	225
	<u>6,916,084</u>	<u>48,200,107</u>
(6,778,657)	(9,834,718)
	-	12,000
	-	12,855,000
	-	252,184
	-	(12,882,798)
	10,143,043	14,036,112
(<u>1,125,536)</u>	<u>(1,943,886)</u>
	2,238,850	2,493,894
(<u>3,893,810)</u>	<u>754,882</u>
(\$	<u>1,654,960)</u>	<u>\$ 3,248,776</u>

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NONMAJOR SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that is legally restricted to expenditure for specified purposes.

Street And Bridge Fund - Accounts for revenue and expenditures for the maintenance of City streets and bridges.

Street Lighting Fund - Accounts for revenue and expenditures for electricity charges incurred in lighting City streets.

School Crossing Guard Fund - Accounts for revenue and expenditures related to the protection of school children crossing City street.

E.S.D.A. Fund - Accounts for revenue and expenditures for planning for potential natural and man-made disasters

Illinois Municipal Retirement Fund - Accounts for IMRF pension expenditures, and revenue generated by taxation and contributions from employees.

Police Pension Fund – Accounts for revenue and expenditures related to the City's contribution to the Police Pension Fund.

Firefighters' Pension Fund – Accounts for revenue and expenditures related to the City's contribution to the Firefighter's Pension Fund.

Special Service Area Fund – Accounts for revenue and expenditures related to special area property tax levies.

Tax Incremental Financing Fund #1 – Accounts for revenue and expenditures related to the Tax Incremental Financing District created for the Rock Run Business Park.

Tax Incremental Financing Fund #2 – Accounts for revenue and expenditures related to the Tax Incremental Financing District created for the Downtown Development Program.

Coliseum Fund - Accounts for revenue from various sources used to finance the operations of the Bi-Centennial Park.

Motor Fuel Tax Fund - Accounts for expenditures related to approved motor fuel tax projects and revenue from the State gasoline tax as collected and distributed by the State of Illinois.

Community Development Block Grant Fund - Accounts for revenue and expenditures of the Community Development Block Grant Programs.

Evergreen Terrace II Fund - Accounts for revenue and expenditures for various low-income housing projects.

CITY OF JOLIET, ILLINOIS

All Nonmajor Special Revenue Funds Combining Balance Sheet December 31, 2005

	Property Tax Funds	
	Basic Services	Other Services
ASSETS		
Cash	\$ 232,916	\$ 99,501
Investments	-	89,000
Receivables		
Property Taxes, Net Of Allowance For Uncollectible Amounts	2,767,957	13,296,418
Intergovernmental	1,382,495	303,378
Accrued Interest	-	14
Special Assessments	-	406,800
Other	190,061	-
Internal Receivables	1,649,183	-
Total Assets	<u>\$ 6,222,612</u>	<u>\$ 14,195,111</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Vouchers Payable	\$ 483,942	\$ 30,321
Customer Deposits And Credits	52	-
Deferred Revenue		
Property Taxes, 2005 Levy	2,767,957	13,296,418
Other	930,732	371,413
Internal Payables	-	979,160
Total Liabilities	<u>4,182,683</u>	<u>14,677,312</u>
Fund Balances (Deficits)		
Reserved For Encumbrances	414,278	45,925
Unreserved	1,625,651	(528,126)
Total Fund Balances (Deficits)	<u>2,039,929</u>	<u>(482,201)</u>
Total Liabilities And Fund Balances	<u>\$ 6,222,612</u>	<u>\$ 14,195,111</u>

State And Federal Allocation, Allotment And Grant Funds	Total
\$ 327,878	\$ 660,295
3,867,021	3,956,021
-	16,064,375
305,540	1,991,413
25,954	25,968
-	406,800
-	190,061
107,701	1,756,884
<u>\$ 4,634,094</u>	<u>\$ 25,051,817</u>

\$ 96,611	\$ 610,874
-	52
-	16,064,375
239,744	1,541,889
1,003,780	1,982,940
<u>1,340,135</u>	<u>20,200,130</u>
1,350,979	1,811,182
1,942,980	3,040,505
<u>3,293,959</u>	<u>4,851,687</u>
<u>\$ 4,634,094</u>	<u>\$ 25,051,817</u>

CITY OF JOLIET, ILLINOIS

Nonmajor Special Revenue Funds Combining Balance Sheet Property Tax Funds - Basic Services December 31, 2005

ASSETS	Street And Bridge Fund	Street Lighting Fund	School Crossing Guard Fund
Cash	\$ -	\$ 64,489	\$ 5,955
Receivables			
Property Taxes, Net Of Allowance			
For Uncollectible Amounts	1,816,568	827,730	110,396
Intergovernmental	1,382,495	-	-
Other	190,061	-	-
Internal Receivables	<u>1,421,566</u>	<u>215,634</u>	<u>-</u>
 Total Assets	 <u>\$ 4,810,690</u>	 <u>\$ 1,107,853</u>	 <u>\$ 116,351</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Vouchers Payable	\$ 317,748	\$ 161,720	\$ -
Customer Deposits And Credits	52	-	-
Deferred Revenue, Property Tax, 2005 Levy	1,816,568	827,730	110,396
Deferred Revenue - Other	<u>930,732</u>	<u>-</u>	<u>-</u>
 Total Liabilities	 <u>3,065,100</u>	 <u>989,450</u>	 <u>110,396</u>
 Fund Balances			
Reserved For Encumbrances	349,084	22,006	789
Unreserved	<u>1,396,506</u>	<u>96,397</u>	<u>5,166</u>
 Total Fund Balances	 <u>1,745,590</u>	 <u>118,403</u>	 <u>5,955</u>
 Total Liabilities And Fund Balances	 <u>\$ 4,810,690</u>	 <u>\$ 1,107,853</u>	 <u>\$ 116,351</u>

<u>E.S.D.A. Fund</u>	<u>Total</u>
\$ 162,472	\$ 232,916
13,263	2,767,957
-	1,382,495
-	190,061
<u>11,983</u>	<u>1,649,183</u>
\$ <u>187,718</u>	\$ <u>6,222,612</u>

\$ 4,474	\$ 483,942
-	52
13,263	2,767,957
-	<u>930,732</u>
<u>17,737</u>	<u>4,182,683</u>
42,399	414,278
<u>127,582</u>	<u>1,625,651</u>
<u>169,981</u>	<u>2,039,929</u>
\$ <u>187,718</u>	\$ <u>6,222,612</u>

CITY OF JOLIET, ILLINOIS

Nonmajor Special Revenue Funds Combining Balance Sheet Property Tax Funds - Other Services December 31, 2005

	Illinois Municipal Retirement Fund	Police Pension Fund	Firefighters' Pension Fund
ASSETS			
Cash	\$ 87,726	\$ -	\$ -
Investments	-	-	-
Receivables			
Property Taxes, Net Of Allowance For Uncollectible Amounts	540,646	4,433,014	3,825,096
Intergovernmental	303,378	-	-
Accrued Interest	-	-	-
Special Assessments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 931,750</u>	<u>\$ 4,433,014</u>	<u>\$ 3,825,096</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Vouchers Payable	\$ -	\$ -	\$ -
Deferred Revenue, Property Tax, 2005 Levy	540,646	4,433,014	3,825,096
Deferred Revenue, Other	-	-	-
Internal Payables	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>540,646</u>	<u>4,433,014</u>	<u>3,825,096</u>
 Fund Balances (Deficits)			
Reserved For Encumbrances	-	-	-
Unreserved	391,104	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>391,104</u>	<u>-</u>	<u>-</u>
 Total Liabilities And Fund Balances	<u>\$ 931,750</u>	<u>\$ 4,433,014</u>	<u>\$ 3,825,096</u>

<u>Special Service Area Fund</u>	<u>Tax Incremental Financing Fund #1</u>	<u>Tax Incremental Financing Fund #2</u>	<u>Coliseum Fund</u>	<u>Total</u>
\$ 1,576	\$ 1,643	\$ 672	\$ 7,884	\$ 99,501
-	-	89,000	-	89,000
1,505,281	2,657,471	253,879	81,031	13,296,418
-	-	-	-	303,378
-	-	14	-	14
<u>406,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>406,800</u>
<u>\$ 1,913,657</u>	<u>\$ 2,659,114</u>	<u>\$ 343,565</u>	<u>\$ 88,915</u>	<u>\$ 14,195,111</u>
\$ 24,615	\$ -	\$ 325	\$ 5,381	\$ 30,321
1,505,281	2,657,471	253,879	81,031	13,296,418
371,413	-	-	-	371,413
<u>978,160</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>979,160</u>
<u>2,879,469</u>	<u>2,658,471</u>	<u>254,204</u>	<u>86,412</u>	<u>14,677,312</u>
30,669	-	15,139	117	45,925
(996,481)	643	74,222	2,386	(528,126)
(965,812)	643	89,361	2,503	(482,201)
<u>\$ 1,913,657</u>	<u>\$ 2,659,114</u>	<u>\$ 343,565</u>	<u>\$ 88,915</u>	<u>\$ 14,195,111</u>

CITY OF JOLIET, ILLINOIS

Nonmajor Special Revenue Funds Combining Balance Sheet State And Federal Allocation, Allotment And Grant Funds December 31, 2005

	Motor Fuel Tax Fund	Community Development Block Grant Fund
ASSETS		
Cash	\$ 32	\$ -
Investments	3,867,021	-
Receivables		
Intergovernmental	305,540	-
Accrued Interest	25,954	-
Internal Receivables	-	107,701
Total Assets	<u>\$ 4,198,547</u>	<u>\$ 107,701</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Vouchers Payable	\$ 68,299	\$ 28,312
Deferred Revenue, Other	-	-
Internal Payables	41,500	961,717
Total Liabilities	<u>109,799</u>	<u>990,029</u>
Fund Balances (Deficits)		
Reserved For Encumbrances	1,287,903	63,076
Unreserved	2,800,845	(945,404)
Total Fund Balances (Deficits)	<u>4,088,748</u>	<u>(882,328)</u>
Total Liabilities And Fund Balances	<u>\$ 4,198,547</u>	<u>\$ 107,701</u>

Evergreen Terrace II Fund	Total
\$ 327,846	\$ 327,878
-	3,867,021
-	305,540
-	25,954
-	107,701
<u>\$ 327,846</u>	<u>\$ 4,634,094</u>

\$ -	\$ 96,611
239,744	239,744
563	1,003,780
<u>240,307</u>	<u>1,340,135</u>
-	1,350,979
<u>87,539</u>	<u>1,942,980</u>
<u>87,539</u>	<u>3,293,959</u>
<u>\$ 327,846</u>	<u>\$ 4,634,094</u>

CITY OF JOLIET, ILLINOIS

All Nonmajor Special Revenue Funds
Combining Statement Of Revenue, Expenditures
And Changes In Fund Balances
For The Year Ended December 31, 2005

	Property Tax Services	
	Basic Services	Other Services
Revenue		
Property Taxes	\$ 2,831,975	\$ 11,989,035
Other Taxes	12,544,890	3,620,530
Federal And State Grants And Allotments	194,380	-
Charges For Services	787	-
Interest Earnings	2,770	8,818
Rentals And Fees	-	24,821
Special Assessments	-	431,840
Other	381,448	(1,410)
	<u>15,956,250</u>	<u>16,073,634</u>
Total Revenue		
	<u>15,956,250</u>	<u>16,073,634</u>
Expenditures		
Public Safety	425,583	-
Streets And Bridges	12,594,292	3,881,415
Culture And Recreation	-	288,646
Employee Benefits And Pension Plans	364	12,986,641
Community Development	-	-
Capital Projects	3,101,834	13,409
	<u>16,122,073</u>	<u>17,170,111</u>
Total Expenditures		
	<u>16,122,073</u>	<u>17,170,111</u>
Revenue Over (Under) Expenditures	(165,823)	(1,096,477)
Other Financing Sources (Uses)		
Sale Of Capital Assets	-	-
Transfers In	1,481,777	1,285,756
Transfers Out	(400,000)	(318,184)
	<u>915,954</u>	<u>(128,905)</u>
Net Change In Fund Balance		
	<u>915,954</u>	<u>(128,905)</u>
Fund Balances (Deficits), Beginning Of Year	1,123,975	(353,296)
	<u>1,123,975</u>	<u>(353,296)</u>
Fund Balances (Deficits), End Of Year	\$ 2,039,929	(\$ 482,201)
	<u>\$ 2,039,929</u>	<u>(\$ 482,201)</u>

State And Federal Allocation, Allotment And Grant Funds	Total
\$ -	\$ 14,821,010
-	16,165,420
5,821,896	6,016,276
243,284	244,071
112,962	124,550
14,664	39,485
-	431,840
442	380,480
6,193,248	38,223,132
-	425,583
2,966,518	19,442,225
-	288,646
-	12,987,005
2,067,477	2,067,477
28,119	3,143,362
5,062,114	38,354,298
1,131,134 (131,166)
12,000	12,000
-	2,767,533
(100,166) (818,350)
1,042,968	1,830,017
2,250,991	3,021,670
\$ 3,293,959	\$ 4,851,687

CITY OF JOLIET, ILLINOIS

Nonmajor Special Revenue Funds Combining Statement Of Revenue, Expenditures And Changes In Fund Balances Property Tax Funds, Basic Services For The Year Ended December 31, 2005

	Street And Bridge Fund	Street Lighting Fund	School Crossing Guard Fund
Revenue			
Property Taxes	\$ 1,863,894	\$ 840,151	\$ 113,936
Other Taxes	11,376,448	856,396	241,843
Federal And State Grants	114,560	-	-
Charges For Services	787	-	-
Interest Earnings	1,231	1,451	78
Other	354,910	26,539	-
	<u>13,711,830</u>	<u>1,724,537</u>	<u>355,857</u>
Total Revenue			
	<u>13,711,830</u>	<u>1,724,537</u>	<u>355,857</u>
Expenditures			
Public Safety	-	-	359,864
Streets And Bridges	10,771,245	1,823,047	-
Employee Benefits And Pension Plans	364	-	-
Capital Projects	3,005,266	76,651	-
	<u>13,776,875</u>	<u>1,899,698</u>	<u>359,864</u>
Total Expenditures			
	<u>13,776,875</u>	<u>1,899,698</u>	<u>359,864</u>
Revenue Over (Under) Expenditures	(65,045)	(175,161)	(4,007)
Other Financing Sources (Uses)			
Transfers In	1,481,777	-	-
Transfers Out	(400,000)	-	-
	<u>1,081,777</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	1,016,732	(175,161)	(4,007)
Fund Balances, Beginning Of Year	<u>728,858</u>	<u>293,564</u>	<u>9,962</u>
Fund Balances, End Of Year	<u>\$ 1,745,590</u>	<u>\$ 118,403</u>	<u>\$ 5,955</u>

<u>E.S.D.A. Fund</u>	<u>Total</u>
\$ 13,994	\$ 2,831,975
70,203	12,544,890
79,820	194,380
-	787
10	2,770
(1)	381,448
<u>164,026</u>	<u>15,956,250</u>
65,719	425,583
-	12,594,292
-	364
<u>19,917</u>	<u>3,101,834</u>
<u>85,636</u>	<u>16,122,073</u>
78,390	(165,823)
-	1,481,777
<u>-</u>	<u>(400,000)</u>
78,390	915,954
<u>91,591</u>	<u>1,123,975</u>
<u>\$ 169,981</u>	<u>\$ 2,039,929</u>

CITY OF JOLIET, ILLINOIS

Nonmajor Special Revenue Funds Combining Statement Of Revenue, Expenditures And Changes In Fund Balances Property Tax Funds - Other Services For The Year Ended December 31, 2005

	Illinois Municipal Retirement Fund	Police Pension Fund	Firefighters' Pension Fund
Revenue			
Property Taxes	\$ 549,713	\$ 3,889,669	\$ 3,446,029
Other Taxes	3,449,565	-	-
Interest Earnings	376	2,635	2,333
Rentals And Fees	-	-	-
Special Assessments	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenue	3,999,654	3,892,304	3,448,362
	<hr/>	<hr/>	<hr/>
Expenditures			
Streets And Bridges	-	-	-
Culture And Recreation	-	-	-
Employee Benefits And Pension Plans	5,645,975	3,892,304	3,448,362
Capital Projects	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	5,645,975	3,892,304	3,448,362
	<hr/>	<hr/>	<hr/>
Revenue Over (Under) Expenditures	(1,646,321)	-	-
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)			
Transfers In	1,285,756	-	-
Transfers Out	-	-	-
	<hr/>	<hr/>	<hr/>
Net Change In Fund Balance	(360,565)	-	-
	<hr/>	<hr/>	<hr/>
Fund Balances (Deficits), Beginning Of Year	751,669	-	-
	<hr/>	<hr/>	<hr/>
Fund Balances (Deficits), End Of Year	\$ 391,104	\$ -	\$ -
	<hr/>	<hr/>	<hr/>

<u>Special Service Area Fund</u>	<u>Tax Incremental Financing Fund #1</u>	<u>Tax Incremental Financing Fund #2</u>	<u>Coliseum Fund</u>	<u>Total</u>
\$ 1,511,373	\$ 2,261,344	\$ 246,951	\$ 83,956	\$ 11,989,035
-	-	-	170,965	3,620,530
1,632	1,440	345	57	8,818
-	-	-	24,821	24,821
431,840	-	-	-	431,840
(694)	-	-	(716)	(1,410)
<u>1,944,151</u>	<u>2,262,784</u>	<u>247,296</u>	<u>279,083</u>	<u>16,073,634</u>
1,685,262	1,943,334	252,819	-	3,881,415
-	-	-	288,646	288,646
-	-	-	-	12,986,641
-	-	-	13,409	13,409
<u>1,685,262</u>	<u>1,943,334</u>	<u>252,819</u>	<u>302,055</u>	<u>17,170,111</u>
258,889	319,450	(5,523)	(22,972)	(1,096,477)
-	-	-	-	1,285,756
-	(318,184)	-	-	(318,184)
258,889	1,266	(5,523)	(22,972)	(128,905)
(1,224,701)	(623)	94,884	25,475	(353,296)
<u>(\$ 965,812)</u>	<u>\$ 643</u>	<u>\$ 89,361</u>	<u>\$ 2,503</u>	<u>(\$ 482,201)</u>

CITY OF JOLIET, ILLINOIS

Nonmajor Special Revenue Funds Combining Statement Of Revenue, Expenditures And Changes In Fund Balances State And Federal Allocation, Allotment And Grant Funds Year Ended December 31, 2005

	Motor Fuel Tax Fund	Community Development Block Grant Fund
Revenue		
State Allotment, Motor Fuel Taxes	\$ 3,840,229	\$ -
Federal And State Grants	-	935,570
Charges For Services	-	243,284
Interest Earnings	112,962	-
Rentals And Fees	-	14,664
Other	-	442
	<hr/>	<hr/>
Total Revenue	3,953,191	1,193,960
	<hr/>	<hr/>
Expenditures		
Streets And Bridges	2,966,518	-
Community Development	-	1,021,380
Capital Projects	-	28,119
	<hr/>	<hr/>
Total Expenditures	2,966,518	1,049,499
	<hr/>	<hr/>
Revenue Over (Under) Expenditures	986,673	144,461
	<hr/>	<hr/>
Other Financing (Uses)		
Sale Of Capital Assets	-	12,000
Transfers Out	-	(100,166)
	<hr/>	<hr/>
Net Change In Fund Balance	986,673	56,295
	<hr/>	<hr/>
Fund Balances (Deficits), Beginning Of Year	3,102,075	(938,623)
	<hr/>	<hr/>
Fund Balances (Deficits), End Of Year	\$ 4,088,748	(\$ 882,328)
	<hr/>	<hr/>

Evergreen Terrace II Fund	Total
\$ -	\$ 3,840,229
1,046,097	1,981,667
-	243,284
-	112,962
-	14,664
-	442
1,046,097	6,193,248
-	2,966,518
1,046,097	2,067,477
-	28,119
1,046,097	5,062,114
-	1,131,134
-	12,000
-	(100,166)
-	1,042,968
87,539	2,250,991
\$ 87,539	\$ 3,293,959

CITY OF JOLIET, ILLINOIS

Street And Bridge Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 1,819,468	\$ 1,819,468	\$ 1,863,894	\$ -
Home Rule Sales Tax	4,000,000	4,000,000	4,000,000	-
State Sales Tax	3,681,258	3,681,258	3,681,258	-
Use Tax	51,100	51,100	-	-
Replacement Tax	40,000	40,000	62,811	-
Gasoline Privilege Tax	579,424	579,424	610,619	-
Income Tax	2,983,000	2,983,000	3,021,760	-
Charges For Services	350	350	787	-
State Highway Signal Maintenance	124,859	124,859	114,560	-
Interest Earnings	990	990	1,231	-
Other	129,624	129,624	354,910	-
Total Revenue	<u>13,410,073</u>	<u>13,410,073</u>	<u>13,711,830</u>	<u>-</u>
Expenditures				
Streets And Bridges				
Personnel Services	6,843,980	6,798,656	6,816,591	-
Personnel Benefits	500	375	364	-
Professional Services	127,750	123,651	128,889	-
Property Services	875,012	930,127	838,343	(21,978)
Other Services	42,285	42,799	42,208	-
Supplies	1,670,009	1,667,403	1,828,818	(73,066)
Property And Projects	3,804,272	4,732,839	4,121,662	(179,475)
Total Expenditures	<u>13,363,808</u>	<u>14,295,850</u>	<u>13,776,875</u>	<u>(274,519)</u>
Revenue Over (Under) Expenditures	46,265	(885,777)	(65,045)	274,519
Other Financing Sources (Uses)				
Transfers In	1,402,911	1,402,911	1,481,777	-
Transfers Out	(400,000)	(400,000)	(400,000)	-
Net Change In Fund Balance	<u>\$ 1,049,176</u>	<u>\$ 117,134</u>	1,016,732	274,519
Fund Balance, Beginning Of Year			<u>728,858</u>	<u>(274,519)</u>
Fund Balance, End Of Year			<u>\$ 1,745,590</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 1,863,894	\$ 44,426
-	4,000,000	-
-	3,681,258	-
-	-	(51,100)
-	62,811	22,811
-	610,619	31,195
-	3,021,760	38,760
-	787	437
-	114,560	(10,299)
-	1,231	241
-	354,910	225,286
-	13,711,830	301,757
-	6,816,591	(17,935)
-	364	11
1,174	130,063	(6,412)
3,765	820,130	109,997
-	42,208	591
7,377	1,763,129	(95,726)
336,768	4,278,955	453,884
349,084	13,851,440	444,410
(349,084)	(139,610)	746,167
-	1,481,777	78,866
-	(400,000)	-
(349,084)	942,167	\$ 825,033
-	454,339	
(\$ 349,084)	\$ 1,396,506	

CITY OF JOLIET, ILLINOIS

Street And Bridge Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Engineering Department				
Administration				
Personnel Services	\$ 1,060,987	\$ 1,038,199	\$ 1,038,722	\$ -
Professional Services	2,500	2,500	2,490	-
Property Services	23,850	24,650	19,388	(422)
Other Services	8,686	7,952	8,101	-
Supplies	7,300	8,310	4,292	(1,244)
Property And Projects	983,500	1,773,443	1,171,692	(56,497)
Total	<u>2,086,823</u>	<u>2,855,054</u>	<u>2,244,685</u>	<u>(58,163)</u>
Design And Construction				
Personnel Services	729,954	679,870	682,630	-
Professional Services	950	950	450	-
Property Services	6,925	7,103	5,460	(285)
Other Services	5,450	6,064	5,601	-
Supplies	13,075	12,666	14,161	(918)
Property And Projects	7,000	6,927	5,298	-
Total	<u>763,354</u>	<u>713,580</u>	<u>713,600</u>	<u>(1,203)</u>
Electrical				
Personnel Services	332,309	340,905	342,049	-
Professional Services	24,300	26,321	25,318	-
Property Services	1,720	1,862	3,056	(448)
Other Services	4,311	4,158	4,279	-
Supplies	31,000	60,501	42,399	(25,344)
Property And Projects	30,600	53,657	55,665	(20,776)
Total	<u>424,240</u>	<u>487,404</u>	<u>472,766</u>	<u>(46,568)</u>
Miscellaneous Roadway Projects				
Personnel Services	3,230,147	3,255,385	3,264,335	-
Professional Services	96,450	91,380	98,555	-
Property Services	25,303	26,237	26,245	(3,861)
Other Services	14,240	13,717	13,356	-
Supplies	307,700	298,957	404,851	(2,002)
Property And Projects	2,500	2,659	2,398	-
Total	<u>3,676,340</u>	<u>3,688,335</u>	<u>3,809,740</u>	<u>(5,863)</u>
Total Engineering Department	<u>6,950,757</u>	<u>7,744,373</u>	<u>7,240,791</u>	<u>(111,797)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 1,038,722	(\$ 523)
-	2,490	10
-	18,966	5,684
-	8,101	(149)
-	3,048	5,262
<u>165,336</u>	<u>1,280,531</u>	<u>492,912</u>
<u>165,336</u>	<u>2,351,858</u>	<u>503,196</u>
-	682,630	(2,760)
-	450	500
-	5,175	1,928
-	5,601	463
-	13,243	(577)
-	5,298	1,629
<u>-</u>	<u>712,397</u>	<u>1,183</u>
-	342,049	(1,144)
1,174	26,492	(171)
-	2,608	(746)
-	4,279	(121)
-	17,055	43,446
-	34,889	18,768
<u>1,174</u>	<u>427,372</u>	<u>60,032</u>
-	3,264,335	(8,950)
-	98,555	(7,175)
2,053	24,437	1,800
-	13,356	361
3,714	406,563	(107,606)
261	2,659	-
<u>6,028</u>	<u>3,809,905</u>	<u>(121,570)</u>
<u>172,538</u>	<u>7,301,532</u>	<u>442,841</u>

(Continued)

CITY OF JOLIET, ILLINOIS

Street And Bridge Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Maintenance Department				
Administrative				
Personnel Services	\$ 192,828	\$ 191,512	\$ 188,771	\$ -
Personnel Benefits	500	375	364	-
Professional Services	200	120	108	-
Other Services	8,548	9,592	9,555	-
Supplies	14,950	14,699	15,504	(198)
Property And Projects	2,000	1,650	2,000	-
Total	<u>219,026</u>	<u>217,948</u>	<u>216,302</u>	<u>(198)</u>
Automotive				
Personnel Services	1,297,755	1,292,785	1,300,084	-
Professional Services	3,350	2,380	1,968	-
Property Services	817,214	870,275	783,193	(16,962)
Other Services	1,050	1,316	1,316	-
Supplies	1,295,984	1,272,270	1,347,651	(43,360)
Property And Projects	2,778,672	2,835,269	2,690,815	(42,968)
Total	<u>6,194,025</u>	<u>6,274,295</u>	<u>6,125,027</u>	<u>(103,290)</u>
Total Maintenance Department	<u>6,413,051</u>	<u>6,492,243</u>	<u>6,341,329</u>	<u>(103,488)</u>
Non-Budget Expenditures				
Property Services	-	-	1,001	-
Supplies	-	-	(40)	-
Property And Projects	-	59,234	193,794	(59,234)
Total Non-Budget Expenditures	<u>-</u>	<u>59,234</u>	<u>194,755</u>	<u>(59,234)</u>
Total Street And Bridge Fund	<u>\$ 13,363,808</u>	<u>\$ 14,295,850</u>	<u>\$ 13,776,875</u>	<u>(\$ 274,519)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 188,771	\$ 2,741
-	364	11
-	108	12
-	9,555	37
3	15,309	(610)
-	2,000	(350)
<u>3</u>	<u>216,107</u>	<u>1,841</u>
-	1,300,084	(7,299)
-	1,968	412
1,712	767,943	102,332
-	1,316	-
3,660	1,307,951	(35,681)
117,809	2,765,656	69,613
<u>123,181</u>	<u>6,144,918</u>	<u>129,377</u>
<u>123,184</u>	<u>6,361,025</u>	<u>131,218</u>
-	1,001	(1,001)
-	(40)	40
53,362	187,922	(128,688)
<u>53,362</u>	<u>188,883</u>	<u>(129,649)</u>
<u>\$ 349,084</u>	<u>\$ 13,851,440</u>	<u>\$ 444,410</u>

CITY OF JOLIET, ILLINOIS

Street Lighting Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 828,646	\$ 828,646	\$ 840,151	\$ -
Sales Tax	856,396	856,396	856,396	-
Interest Earnings	7,260	7,260	1,451	-
Other	<u>50,000</u>	<u>50,000</u>	<u>26,539</u>	<u>-</u>
Total Revenue	<u>1,742,302</u>	<u>1,742,302</u>	<u>1,724,537</u>	<u>-</u>
Expenditures				
Streets And Bridges				
Contractual Services				
Electrical Energy Costs	2,071,000	2,071,000	1,823,047	-
Property And Projects	<u>50,000</u>	<u>90,105</u>	<u>76,651</u>	<u>(21,859)</u>
Total Expenditures	<u>2,121,000</u>	<u>2,161,105</u>	<u>1,899,698</u>	<u>(21,859)</u>
Net Change In Fund Balance	<u>(\$ 378,698)</u>	<u>(\$ 418,803)</u>	<u>(175,161)</u>	<u>21,859</u>
Fund Balance, Beginning Of Year			<u>293,564</u>	<u>(21,859)</u>
Fund Balance, End Of Year			<u>\$ 118,403</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 840,151	\$ 11,505
-	856,396	-
-	1,451	(5,809)
-	26,539	(23,461)
<u>-</u>	<u>1,724,537</u>	<u>(17,765)</u>
-	1,823,047	247,953
<u>22,006</u>	<u>76,798</u>	<u>13,307</u>
<u>22,006</u>	<u>1,899,845</u>	<u>261,260</u>
(22,006)	(175,308)	<u>\$ 243,495</u>
<u>-</u>	<u>271,705</u>	
<u>(\$ 22,006)</u>	<u>\$ 96,397</u>	

CITY OF JOLIET, ILLINOIS

School Crossing Guard Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Property Taxes	\$ 110,691	\$ 110,691	\$ 113,936	\$ -
Income Tax	241,843	241,843	241,843	-
Interest Earnings	36	36	78	-
Total Revenue	<u>352,570</u>	<u>352,570</u>	<u>355,857</u>	<u>-</u>
Expenditures				
Public Safety				
Personnel Services	350,000	361,220	359,163	-
Property Services	<u>1,550</u>	<u>1,550</u>	<u>701</u>	(66)
Total Expenditures	<u>351,550</u>	<u>362,770</u>	<u>359,864</u>	(66)
Net Change In Fund Balance	<u>\$ 1,020</u>	(\$ 10,200)	(4,007)	66
Fund Balance, Beginning Of Year			<u>9,962</u>	(66)
Fund Balance, End Of Year			<u>\$ 5,955</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 113,936	\$ 3,245
-	241,843	-
-	78	42
-	355,857	3,287
-	359,163	2,057
789	1,424	126
789	360,587	2,183
(789) (4,730)	\$ 5,470
-	9,896	
(\$ 789)	\$ 5,166	

CITY OF JOLIET, ILLINOIS

E.S.D.A. Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 13,302	\$ 13,302	\$ 13,994	\$ -
Income Taxes	70,203	70,203	70,203	-
Federal Grants	15,686	15,686	38,220	-
State Grants	-	-	41,600	-
Miscellaneous	-	-	(1)	-
Interest Earnings	4	4	10	-
	<u>99,195</u>	<u>99,195</u>	<u>164,026</u>	<u>-</u>
Total Revenue				
	<u>99,195</u>	<u>99,195</u>	<u>164,026</u>	<u>-</u>
Expenditures				
Public Safety				
Personnel Services	35,245	41,745	46,523	-
Professional Services	2,250	950	255	-
Property Services	15,000	7,000	10,040	-
Other Services	9,800	7,400	8,503	-
Supplies	550	525	398	-
Property And Projects	<u>84,400</u>	<u>125,850</u>	<u>19,917</u>	<u>(41,450)</u>
	<u>147,245</u>	<u>183,470</u>	<u>85,636</u>	<u>(41,450)</u>
Total Expenditures				
	<u>147,245</u>	<u>183,470</u>	<u>85,636</u>	<u>(41,450)</u>
Net Change In Fund Balance	<u>(\$ 48,050)</u>	<u>(\$ 84,275)</u>	<u>78,390</u>	<u>41,450</u>
Fund Balance, Beginning Of Year			<u>91,591</u>	<u>(41,450)</u>
Fund Balance, End Of Year			<u>\$ 169,981</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 13,994	\$ 692
-	38,220	22,534
-	41,600	41,600
-	(1)	(1)
-	10	6
<u>-</u>	<u>93,823</u>	<u>64,831</u>
-	46,523	(4,778)
-	255	695
-	10,040	(3,040)
-	8,503	(1,103)
-	398	127
<u>42,399</u>	<u>20,866</u>	<u>104,984</u>
<u>42,399</u>	<u>86,585</u>	<u>96,885</u>
(42,399)	7,238	<u>\$ 161,716</u>
<u>-</u>	<u>50,141</u>	
<u>(\$ 42,399)</u>	<u>\$ 57,379</u>	

CITY OF JOLIET, ILLINOIS

Illinois Municipal Retirement Fund Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Tax	\$ 542,046	\$ 542,046	\$ 549,713	\$ -
Sales Tax	3,438,597	3,438,597	3,449,565	-
Interest Earnings	<u>180</u>	<u>180</u>	<u>376</u>	<u>-</u>
Total Revenue	<u>3,980,823</u>	<u>3,980,823</u>	<u>3,999,654</u>	<u>-</u>
Expenditures				
Employee Benefits And Pension Plans, City's Share	<u>5,553,835</u>	<u>5,553,835</u>	<u>5,645,975</u>	<u>-</u>
Revenue Over (Under) Expenditures	(1,573,012)	(1,573,012)	(1,646,321)	-
Other Financing Sources				
Transfers In	<u>1,197,952</u>	<u>1,197,952</u>	<u>1,285,756</u>	<u>-</u>
Net Change In Fund Balance	(\$ <u>375,060</u>)	(\$ <u>375,060</u>)	(360,565)	-
Fund Balance, Beginning Of Year			<u>751,669</u>	<u>-</u>
Fund Balance, End Of Year			<u>\$ 391,104</u>	<u>\$ -</u>

Plus Ending Encumbrances	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
\$ -	\$ 549,713	\$ 7,667
-	3,449,565	10,968
-	376	196
-	3,999,654	18,831
-	5,645,975	(92,140)
-	(1,646,321)	(73,309)
-	1,285,756	87,804
-	(360,565)	\$ 14,495
-	751,669	
\$ -	\$ 391,104	

CITY OF JOLIET, ILLINOIS

Police Pension Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 3,895,758	\$ 3,895,758	\$ 3,889,669	\$ -
Interest Earnings	1,000	1,000	2,635	-
Total Revenue	<u>3,896,758</u>	<u>3,896,758</u>	<u>3,892,304</u>	<u>-</u>
Expenditures				
Employee Benefit And Pension Plans, City's Share	<u>3,896,758</u>	<u>3,896,758</u>	<u>3,892,304</u>	<u>-</u>
Total Expenditures	<u>3,896,758</u>	<u>3,896,758</u>	<u>3,892,304</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, Beginning Of Year			<u>-</u>	<u>-</u>
Fund Balance, End Of Year			<u>\$ -</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 3,889,669	(\$ 6,089)
-	2,635	1,635
-	3,892,304	(4,454)
-	3,892,304	4,454
-	3,892,304	4,454
-	-	\$ -
-	-	
\$ -	\$ -	

CITY OF JOLIET, ILLINOIS

Firefighters' Pension Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Tax	\$ 3,448,970	\$ 3,448,970	\$ 3,446,029	\$ -
Interest Earnings	930	930	2,333	-
Total Revenue	<u>3,449,900</u>	<u>3,449,900</u>	<u>3,448,362</u>	<u>-</u>
Expenditures				
Employee Benefits And Pension Plans, City's Share	<u>3,449,900</u>	<u>3,449,900</u>	<u>3,448,362</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, Beginning Of Year			<u>-</u>	<u>-</u>
Fund Balance, End Of Year			<u>\$ -</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 3,446,029	(\$ 2,941)
-	2,333	1,403
-	3,448,362	(1,538)
-	3,448,362	1,538
-	-	\$ -
-	-	
<u>\$ -</u>	<u>\$ -</u>	

CITY OF JOLIET, ILLINOIS

Special Service Area Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 1,510,117	\$ 1,510,117	\$ 1,511,373	\$ -
Interest Earnings	-	-	1,632	-
Special Assessments	-	-	431,840	-
Other	-	-	(694)	-
	<u>1,510,117</u>	<u>1,510,117</u>	<u>1,944,151</u>	<u>-</u>
Total Revenue				
	<u>1,510,117</u>	<u>1,510,117</u>	<u>1,944,151</u>	<u>-</u>
Expenditures				
Streets And Bridges				
Supplies	-	-	7,292	-
Property And Projects	1,510,117	1,510,117	1,677,836	(110,969)
Other	-	-	134	-
	<u>1,510,117</u>	<u>1,510,117</u>	<u>1,685,262</u>	<u>(110,969)</u>
Total Expenditures				
	<u>1,510,117</u>	<u>1,510,117</u>	<u>1,685,262</u>	<u>(110,969)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	258,889	110,969
Fund Balance (Deficit), Beginning Of Year			(1,224,701)	(110,969)
Fund Balance (Deficit), End Of Year			<u>(\$ 965,812)</u>	<u>\$ -</u>

Plus Ending Encumbrances	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
\$ -	\$ 1,511,373	\$ 1,256
-	1,632	1,632
-	431,840	431,840
-	(694)	(694)
-	1,944,151	434,034
-	7,292	(7,292)
30,669	1,597,536	(87,419)
-	134	(134)
30,669	1,604,962	(94,845)
(30,669)	339,189	\$ <u>268,682</u>
-	(1,335,670)	
(\$ 30,669)	(\$ 996,481)	

CITY OF JOLIET, ILLINOIS

Tax Incremental Financing Fund #1 Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 2,300,000	\$ 2,300,000	\$ 2,261,344	\$ -
Interest Earnings	-	-	1,440	-
Total Revenue	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,262,784</u>	<u>-</u>
Expenditures				
Streets And Bridges				
Property And Projects	1,985,000	1,985,000	1,943,160	-
Other	-	-	174	-
Total Expenditures	<u>1,985,000</u>	<u>1,985,000</u>	<u>1,943,334</u>	<u>-</u>
Revenue Over (Under) Expenditures	315,000	315,000	319,450	-
Other Financing (Uses)				
Transfers Out	(315,000)	(315,000)	(318,184)	-
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,266	-
Fund Balance (Deficit), Beginning Of Year			(623)	-
Fund Balance, End Of Year			<u>\$ 643</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 2,261,344	(\$ 38,656)
-	1,440	1,440
-	2,262,784	(37,216)
-	1,943,160	41,840
-	174	(174)
-	1,943,334	41,666
-	319,450	4,450
-	(318,184)	(3,184)
-	1,266	\$ 1,266
-	(623)	
<u>\$ -</u>	<u>\$ 643</u>	

CITY OF JOLIET, ILLINOIS

Tax Incremental Financing Fund #2

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 100,000	\$ 100,000	\$ 246,951	\$ -
Interest Earnings	-	-	345	-
Total Revenue	<u>100,000</u>	<u>100,000</u>	<u>247,296</u>	<u>-</u>
Expenditures				
Streets And Bridges				
Property And Projects	<u>100,000</u>	<u>100,000</u>	<u>252,819</u>	<u>-</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>252,819</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(5,523)	-
Fund Balance, Beginning Of Year			<u>94,884</u>	<u>-</u>
Fund Balance, End Of Year			<u>\$ 89,361</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 246,951	\$ 146,951
-	345	345
-	247,296	147,296
15,139	267,958	(167,958)
15,139	267,958	(167,958)
(15,139)	(20,662)	(\$ 20,662)
-	94,884	
(\$ 15,139)	\$ 74,222	

CITY OF JOLIET, ILLINOIS

Coliseum Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 81,248	\$ 81,248	\$ 83,956	\$ -
Income Tax	170,965	170,965	170,965	-
Interest Earnings	26	26	57	-
Rentals And Fees	22,500	22,500	24,821	-
Other	-	-	(716)	-
Total Revenue	<u>274,739</u>	<u>274,739</u>	<u>279,083</u>	<u>-</u>
Expenditures				
Culture And Recreation				
Personnel Services	216,481	212,784	214,593	-
Personnel Benefits	200	-	-	-
Professional Services	16,117	16,901	17,464	-
Property Services	7,450	8,318	6,523	(648)
Other Services	6,378	6,168	6,371	-
Supplies	39,525	46,397	43,695	(60)
Property And Projects	17,530	17,530	13,409	-
Total Expenditures	<u>303,681</u>	<u>308,098</u>	<u>302,055</u>	<u>(708)</u>
Net Change In Fund Balance	<u>(\$ 28,942)</u>	<u>(\$ 33,359)</u>	<u>(22,972)</u>	<u>708</u>
Fund Balance, Beginning Of Year			<u>25,475</u>	<u>(708)</u>
Fund Balance, End Of Year			<u>\$ 2,503</u>	<u>\$ -</u>

Plus Ending Encumbrances	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
\$ -	\$ 83,956	\$ 2,708
-	170,965	-
-	57	31
-	24,821	2,321
-	(716)	(716)
-	279,083	4,344
-	214,593	(1,809)
-	-	-
117	17,581	(680)
-	5,875	2,443
-	6,371	(203)
-	43,635	2,762
-	13,409	4,121
117	301,464	6,634
(117)	(22,381)	\$ 10,978
-	24,767	
(\$ 117)	\$ 2,386	

CITY OF JOLIET, ILLINOIS

Motor Fuel Tax Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
State Allotments	\$ 3,754,940	\$ 3,754,940	\$ 3,840,229	\$ -
Interest Earnings	20,000	20,000	112,962	-
Total Revenue	<u>3,774,940</u>	<u>3,774,940</u>	<u>3,953,191</u>	<u>-</u>
Expenditures				
Street And Bridges Project Expenditures	<u>5,460,075</u>	<u>7,151,367</u>	<u>2,966,518</u>	<u>(1,486,447)</u>
Total Expenditures	<u>5,460,075</u>	<u>7,151,367</u>	<u>2,966,518</u>	<u>(1,486,447)</u>
Net Change In Fund Balance	<u>(\$ 1,685,135)</u>	<u>(\$ 3,376,427)</u>	986,673	1,486,447
Fund Balance, Beginning Of Year			<u>3,102,075</u>	<u>(1,486,447)</u>
Fund Balance, End Of Year			<u>\$ 4,088,748</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 3,840,229	\$ 85,289
-	112,962	92,962
-	3,953,191	178,251
1,287,903	2,767,974	4,383,393
1,287,903	2,767,974	4,383,393
(1,287,903)	1,185,217	<u>\$ 4,561,644</u>
-	1,615,628	
<u>(\$ 1,287,903)</u>	<u>\$ 2,800,845</u>	

CITY OF JOLIET, ILLINOIS

Community Development Block Grant Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Federal Grants	\$ 1,167,000	\$ 1,167,000	\$ 935,570	\$ -
Charges For Services	51,500	51,500	243,284	-
Rentals And Fees	-	-	14,664	-
Other	<u>257,000</u>	<u>257,000</u>	<u>442</u>	<u>-</u>
Total Revenue	<u>1,475,500</u>	<u>1,475,500</u>	<u>1,193,960</u>	<u>-</u>
Expenditures				
Community Development				
Personnel Services	604,895	515,668	601,204	-
Professional Services	255,600	270,000	349,989	(36,208)
Property Services	8,600	8,722	4,761	-
Other Services	10,958	7,679	7,971	(35)
Supplies	3,050	3,210	3,426	-
Property And Projects	<u>140,000</u>	<u>71,639</u>	<u>82,148</u>	<u>(8,942)</u>
Total Expenditures	<u>1,023,103</u>	<u>876,918</u>	<u>1,049,499</u>	<u>(45,185)</u>
Revenue Over (Under) Expenditures	452,397	598,582	144,461	45,185
Other Financing Sources (Uses)				
Sale Of Capital Assets	-	-	12,000	-
Transfers Out	<u>(100,166)</u>	<u>(100,166)</u>	<u>(100,166)</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ 352,231</u>	<u>\$ 498,416</u>	56,295	45,185
Fund Balance (Deficit), Beginning Of Year			<u>(938,623)</u>	<u>(45,185)</u>
Fund Balance (Deficit), End Of Year			<u>(\$ 882,328)</u>	<u>\$ -</u>

Plus Ending Encumbrances	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
\$ -	\$ 935,570	(\$ 231,430)
-	243,284	191,784
-	14,664	14,664
-	442	(256,558)
-	1,193,960	(281,540)
-	601,204	(85,536)
63,076	376,857	(106,857)
-	4,761	3,961
-	7,936	(257)
-	3,426	(216)
-	73,206	(1,567)
63,076	1,067,390	(190,472)
(63,076)	126,570	(472,012)
-	12,000	12,000
-	(100,166)	-
(63,076)	38,404	(\$ 460,012)
-	(983,808)	
(\$ 63,076)	(\$ 945,404)	

CITY OF JOLIET, ILLINOIS

Evergreen Terrace II Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Federal Grants	\$ 1,054,496	\$ 1,054,496	\$ 1,046,097	\$ -
Total Revenue	<u>1,054,496</u>	<u>1,054,496</u>	<u>1,046,097</u>	<u>-</u>
Expenditures				
Community Development				
Assistance Payments	1,006,000	1,006,000	988,001	-
Administration Fee	<u>48,496</u>	<u>48,496</u>	<u>58,096</u>	<u>-</u>
Total Expenditures	<u>1,054,496</u>	<u>1,054,496</u>	<u>1,046,097</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, Beginning Of Year			<u>87,539</u>	<u>-</u>
Fund Balance, End Of Year			<u>\$ 87,539</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 1,046,097	(\$ 8,399)
-	1,046,097	(8,399)
-	988,001	17,999
-	58,096	(9,600)
-	1,046,097	8,399
-	-	\$ -
-	87,539	
<u>\$ -</u>	<u>\$ 87,539</u>	

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NONMAJOR DEBT SERVICE FUND

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Corporate Bond And Interest Fund - Accounts for the payment of principal and interest on general obligation bonds.

CITY OF JOLIET, ILLINOIS

Corporate Bond And Interest Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Interest Earnings	\$ -	\$ -	\$ 4,830	\$ -
Total Revenue	-	-	4,830	-
Expenditures				
General Government				
Bond Issue Costs	-	-	222,274	-
Debt Service				
Principal	525,000	525,000	2,355,000	-
Interest	627,858	627,858	352,226	-
Other	-	-	225	-
Total Expenditures	1,152,858	1,152,858	2,929,725	-
Revenue Over (Under) Expenditures	(1,152,858)	(1,152,858)	(2,924,895)	-
Other Financing Sources (Uses)				
Proceeds From Sale Of Refunding Bonds	-	-	12,855,000	-
Premium On Refunding Bonds	-	-	252,184	-
Transfer To Bond Escrow Paying Agent	-	-	(12,882,798)	-
Transfers In	1,152,858	1,152,858	1,125,536	-
Net Change In Fund Balance	\$ -	\$ -	(1,574,973)	-
Fund Balance, Beginning Of Year			1,627,022	-
Fund Balance, End Of Year			\$ 52,049	\$ -

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 4,830	\$ 4,830
-	4,830	4,830
-	222,274	(222,274)
-	2,355,000	(1,830,000)
-	352,226	275,632
-	225	(225)
-	2,929,725	(1,776,867)
-	(2,924,895)	(1,772,037)
-	12,855,000	12,855,000
-	252,184	252,184
-	(12,882,798)	(12,882,798)
-	1,125,536	(27,322)
-	(1,574,973)	(\$ 1,574,973)
-	1,627,022	
\$ -	\$ 52,049	

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NONMAJOR CAPITAL PROJECTS FUNDS

These funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary or trust funds.

Neighborhood Improvement Fund - Accounts for expenditures of funds transferred in from the General Fund, Street And Bridge Fund, and the Waterworks And Sewerage Fund for various neighborhood street improvements.

Property Improvement Fund - Accounts for expenditures for monies received from taxpayers for their portion of property improvement expenditures.

Economic Development Reserve Fund - Accounts for expenditures pertaining to the downtown baseball stadium, the historical museum, and the west-side public library building.

2002 Bond Fund - Accounts for the proceeds from the 2002 series bond issue which will be used to finance street improvements.

CITY OF JOLIET, ILLINOIS

All Nonmajor Capital Projects Funds Combining Balance Sheet December 31, 2005

ASSETS	Neighborhood Improvement Fund	Property Improvement Fund	Economic Development Reserve Fund
Cash	\$ -	\$ 4,953	\$ -
Investments	-	254,924	-
Accrued Interest	-	695	-
Receivables - Property Owners (Net)	-	53,892	-
Internal Receivables	<u>376,060</u>	<u>1,576</u>	<u>-</u>
Total Assets	<u>\$ 376,060</u>	<u>\$ 316,040</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Vouchers Payable	\$ 118,213	\$ -	\$ -
Customer Deposits And Credits	-	61,033	-
Deferred Revenue - Property Owners	-	44,313	-
Internal Payables	<u>2,132,154</u>	<u>4,759</u>	<u>-</u>
Total Liabilities	<u>2,250,367</u>	<u>110,105</u>	<u>-</u>
Fund Balances (Deficits)			
Reserved For Encumbrances	2,858,047	43,981	-
Unreserved	<u>(4,732,354)</u>	<u>161,954</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>(1,874,307)</u>	<u>205,935</u>	<u>-</u>
Total Liabilities And Fund Balances	<u>\$ 376,060</u>	<u>\$ 316,040</u>	<u>\$ -</u>

<u>2002 Bond Fund</u>	<u>Total</u>
\$ 255	\$ 5,208
13,343	268,267
14	709
-	53,892
-	377,636
<u>\$ 13,612</u>	<u>\$ 705,712</u>

\$ -	\$ 118,213
-	61,033
-	44,313
200	2,137,113
<u>200</u>	<u>2,360,672</u>

11,656	2,913,684
1,756	(4,568,644)
<u>13,412</u>	<u>(1,654,960)</u>
<u>\$ 13,612</u>	<u>\$ 705,712</u>

CITY OF JOLIET, ILLINOIS

All Nonmajor Capital Projects Funds Combining Statement Of Revenue, Expenditures And Changes In Fund Balances For The Year Ended December 31, 2005

	Neighborhood Improvement Fund	Property Improvement Fund	Economic Development Reserve Fund
Revenue			
Interest Earnings	\$ -	\$ 8,071	\$ -
Property Owner Assessments	-	119,021	-
Total Revenue	-	127,092	-
Expenditures			
General Government	150,000	-	-
Public Safety	94,031	-	-
Streets And Bridges	3,516,023	-	-
Culture And Recreation	311,200	-	-
Capital Projects	2,117,286	157,750	-
Total Expenditures	6,188,540	157,750	-
Revenue Over (Under) Expenditures	(6,188,540)	(30,658)	-
Other Financing Sources (Uses)			
Transfers In	7,417,749	-	2,725,294
Transfers Out	(1,125,536)	-	-
Net Change In Fund Balance	103,673	(30,658)	2,725,294
Fund Balances (Deficits), Beginning Of Year	(1,977,980)	236,593	(2,725,294)
Fund Balances (Deficits), End Of Year	(\$ 1,874,307)	\$ 205,935	\$ -

<u>2002 Bond Fund</u>	<u>Total</u>
\$ 10,335	\$ 18,406
-	119,021
<u>10,335</u>	<u>137,427</u>
-	150,000
-	94,031
229,209	3,745,232
-	311,200
<u>340,585</u>	<u>2,615,621</u>
<u>569,794</u>	<u>6,916,084</u>
(559,459)	(6,778,657)
-	10,143,043
-	(1,125,536)
(559,459)	2,238,850
<u>572,871</u>	<u>(3,893,810)</u>
<u>\$ 13,412</u>	<u>(\$ 1,654,960)</u>

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PENSION TRUST FUNDS

These funds are used to accumulate resources for the payment of retirement benefits.

Joliet Police Pension Fund and Joliet Firefighters' Pension Fund - Account for property tax revenue and contributions from participants used to fund the respective pension plans and payments to beneficiaries in accordance with the Illinois Pension Code.

CITY OF JOLIET, ILLINOIS

Pension Trust Funds Combining Statement Of Net Assets December 31, 2005

	Joliet Police Pension Fund	Joliet Firefighters' Pension Fund	Total
ASSETS			
Cash	\$ 3,996	\$ 5,768	\$ 9,764
Investments, At Fair Value			
U.S. Government And Agency Securities	18,576,205	11,404,281	29,980,486
U.S. Government Sponsored Agency Securities	30,318,007	5,939,458	36,257,465
Insurance Annuities	-	14,068,402	14,068,402
Certificates Of Deposit	-	6,276,928	6,276,928
Money Market Mutual Funds	4,733,398	1,741,743	6,475,141
Mutual Funds	30,662,231	5,115,365	35,777,596
Common Stock	-	10,747,259	10,747,259
Total Investments	<u>84,289,841</u>	<u>55,293,436</u>	<u>139,583,277</u>
Accrued Interest Receivable	<u>520,197</u>	<u>249,202</u>	<u>769,399</u>
Total Assets	<u>84,814,034</u>	<u>55,548,406</u>	<u>140,362,440</u>
LIABILITIES			
Accrued Investment Expenses	11,110	29,483	40,593
Miscellaneous Payable	<u>597</u>	<u>-</u>	<u>597</u>
Total Liabilities	<u>11,707</u>	<u>29,483</u>	<u>41,190</u>
NET ASSETS			
Held In Trust For Pension Benefits	<u>\$ 84,802,327</u>	<u>\$ 55,518,923</u>	<u>\$ 140,321,250</u>

CITY OF JOLIET, ILLINOIS

Pension Trust Funds Combining Statement Of Changes In Net Assets For The Year Ended December 31, 2005

	Joliet Police Pension Fund	Joliet Firefighters' Pension Fund	Total
Additions			
Contributions			
Employer Contributions	\$ 3,889,751	\$ 3,448,362	\$ 7,338,113
Plan Member Contributions	1,960,520	1,327,084	3,287,604
Total Contributions	<u>5,850,271</u>	<u>4,775,446</u>	<u>10,625,717</u>
Investment Income			
Net Appreciation In Fair Value Of Investments	(336,893)	1,031,690	694,797
Interest And Dividends	3,532,586	1,416,921	4,949,507
	<u>3,195,693</u>	<u>2,448,611</u>	<u>5,644,304</u>
Less Investment Expenses	<u>117,485</u>	<u>110,304</u>	<u>227,789</u>
Net Investment Income	<u>3,078,208</u>	<u>2,338,307</u>	<u>5,416,515</u>
Miscellaneous Income	<u>72,239</u>	<u>-</u>	<u>72,239</u>
Total Additions	<u>9,000,718</u>	<u>7,113,753</u>	<u>16,114,471</u>
Deductions			
Pension Expense, Benefit Payments	4,207,345	4,733,651	8,940,996
Refunds To Terminated Employees	108,127	-	108,127
Administrative And Other Expenses	<u>60,187</u>	<u>49,948</u>	<u>110,135</u>
Total Deductions	<u>4,375,659</u>	<u>4,783,599</u>	<u>9,159,258</u>
Net Increase	4,625,059	2,330,154	6,955,213
Net Assets Held In Trust For Pension Benefits			
Beginning Of Year	<u>80,177,268</u>	<u>53,188,769</u>	<u>133,366,037</u>
End Of Year	<u>\$ 84,802,327</u>	<u>\$ 55,518,923</u>	<u>\$ 140,321,250</u>

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GOVERNMENTAL CAPITAL ASSETS

CITY OF JOLIET, ILLINOIS

Schedule Of Governmental Capital Assets By Function And Activity December 31, 2005

Function And Activity:	<u>Total</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>
General Government				
Mayor And City Council	\$ 45,348	\$ -	\$ -	\$ -
Liquor Commissioner	1,546	-	-	-
City Clerk	21,026	-	-	-
City Manager	57,794	-	-	-
Deputy City Manager	11,176	-	-	-
Visitor Services	9,306	-	-	-
Management And Budget	60,935	-	-	-
Finance Administration	6,356	-	-	-
Accounting	31,508	-	-	-
City Collector	36,628	-	-	-
Purchasing	24,291	-	-	-
Data Processing	1,073,040	-	-	-
Motor Maintenance - Admin.	189,629	-	-	-
Motor Maintenance - Automotive	609,575	-	40,203	-
Business License	30,574	-	-	-
Human Resources	23,696	-	-	-
Risk Management	55,923	-	-	-
Personnel	7,062	-	-	-
Buildings And Grounds	2,311,175	-	-	2,244,019
Copy Center	138,742	-	-	-
Planning	169,655	-	-	-
Neighborhood Services	186,429	110,455	-	-
Inspectional Services	246,827	-	-	-
Legal	62,548	-	-	-
Total General Government	<u>5,410,789</u>	<u>110,455</u>	<u>40,203</u>	<u>2,244,019</u>
Public Safety				
Police Department	18,619,814	-	72,956	7,087,457
Fire Department	18,463,468	178,000	-	7,901,770
Emergency Management	49,939	-	-	-
Board Of Fire And Police	6,758	-	-	-
Total Public Safety	<u>37,139,979</u>	<u>178,000</u>	<u>72,956</u>	<u>14,989,227</u>
Culture And Recreation				
Bicentennial Park	956,280	-	731,669	-
Gymnasium	3,245,175	-	-	3,245,175
Historical Museum	8,694,824	145,122	377,282	7,610,197
Minor League Baseball Park	28,138,732	7,936,706	-	19,644,592
Total Culture And Recreation	<u>41,035,011</u>	<u>8,081,828</u>	<u>1,108,951</u>	<u>30,499,964</u>

<u>Equipment</u>	<u>Infrastructure Improvements</u>
\$ 45,348	\$ -
1,546	-
21,026	-
57,794	-
11,176	-
9,306	-
60,935	-
6,356	-
31,508	-
36,628	-
24,291	-
1,073,040	-
189,629	-
569,372	-
30,574	-
23,696	-
55,923	-
7,062	-
67,156	-
138,742	-
169,655	-
75,974	-
246,827	-
62,548	-
<u>3,016,112</u>	<u>-</u>
11,459,401	-
10,383,698	-
49,939	-
6,758	-
<u>21,899,796</u>	<u>-</u>
224,611	-
-	-
562,223	-
557,434	-
<u>1,344,268</u>	<u>-</u>

(Continued)

CITY OF JOLIET, ILLINOIS

Schedule Of Governmental Capital Assets By Function And Activity December 31, 2005

Function And Activity:	<u>Total</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>
Community And Economic Development				
Parochial Schools	\$ 339,553	\$ -	\$ -	\$ -
Total Community And Economic Development	<u>339,553</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public Works				
Administration	336,100	-	336,100	-
Electrical	281,304	-	-	3,069
Engineering	426,400	-	-	-
Design And Construction	85,588	-	-	-
Roadways	353,018,126	4,239,601	293,314	3,084,867
Field Operations - Sewer	<u>2,459,486</u>	<u>-</u>	<u>-</u>	<u>2,459,486</u>
Total Public Works	<u>356,607,004</u>	<u>4,239,601</u>	<u>629,414</u>	<u>5,547,422</u>
 Total Governmental Capital Assets	 <u>\$ 440,532,336</u>	 <u>\$ 12,609,884</u>	 <u>\$ 1,851,524</u>	 <u>\$ 53,280,632</u>

<u>Equipment</u>	<u>Infrastructure Improvements</u>
\$ 339,553	\$ -
<u>339,553</u>	<u>-</u>
-	-
278,235	-
426,400	-
85,588	-
5,767,585	339,632,759
-	-
<u>6,557,808</u>	<u>339,632,759</u>
<u>\$ 33,157,537</u>	<u>\$ 339,632,759</u>

CITY OF JOLIET, ILLINOIS

Schedule Of Changes In Governmental Capital Assets By Function And Activity For The Year Ended December 31, 2005

Function And Activity:	General Capital Assets 12/31/04	Additions	Disposals	Transfers	General Capital Assets 12/31/05
General Government					
Mayor And City Council	\$ 45,348	\$ -	\$ -	\$ -	\$ 45,348
Liquor Commissioner	1,546	-	-	-	1,546
City Clerk	21,026	-	-	-	21,026
City Manager	44,103	13,691	-	-	57,794
Deputy City Manager	11,176	-	-	-	11,176
Visitor Services	7,474	1,832	-	-	9,306
Management And Budget	60,935	-	-	-	60,935
Finance Administration	6,356	-	-	-	6,356
Accounting	29,874	3,554	1,920	-	31,508
City Collector	33,234	3,394	-	-	36,628
Purchasing	24,041	3,954	3,704	-	24,291
Data Processing	1,017,901	61,277	6,138	-	1,073,040
Motor Maintenance - Admin.	200,704	5,283	16,358	-	189,629
Motor Maintenance - Automotive	607,021	2,554	-	-	609,575
Business License	30,574	-	-	-	30,574
Human Resources	22,384	1,312	-	-	23,696
Risk Management	34,173	21,750	-	-	55,923
Personnel	7,062	-	-	-	7,062
Buildings And Grounds	2,311,175	-	-	-	2,311,175
Copy Center	133,897	7,021	2,176	-	138,742
Planning	133,587	36,068	-	-	169,655
Neighborhood Services	75,974	110,455	-	-	186,429
Inspectional Services	230,927	15,900	-	-	246,827
Legal	62,548	-	-	-	62,548
Total General Government	5,153,040	288,045	30,296	-	5,410,789
Public Safety					
Police Department	17,717,753	1,369,402	467,341	-	18,619,814
Fire Department	16,275,631	2,189,159	1,322	-	18,463,468
Emergency Management	49,939	-	-	-	49,939
Board Of Fire And Police	6,758	-	-	-	6,758
Total Public Safety	34,050,081	3,558,561	468,663	-	37,139,979
Culture And Recreation					
Bicentennial Park	956,280	-	-	-	956,280
Gymnasium	3,245,175	-	-	-	3,245,175
Historical Museum	8,694,824	-	-	-	8,694,824
Minor League Baseball Park	28,138,732	-	-	-	28,138,732
Total Culture And Recreation	41,035,011	-	-	-	41,035,011

(Continued)

CITY OF JOLIET, ILLINOIS

Schedule Of Changes In Governmental Capital Assets By Function And Activity For The Year Ended December 31, 2005

Function And Activity:	General Capital Assets 12/31/04	Additions	Disposals	Transfers	General Capital Assets 12/31/05
Community And Economic Development					
Parochial Schools	\$ 339,652	\$ -	\$ 99	\$ -	\$ 339,553
Total Community And Economic Development	339,652	-	99	-	339,553
Public Works					
Administration	336,100	-	-	-	336,100
Electrical	278,031	3,273	-	-	281,304
Engineering	435,354	-	8,954	-	426,400
Design And Construction	87,937	-	2,349	-	85,588
Roadways	329,161,238	24,605,643	748,755	-	353,018,126
Field Operations - Sewer	2,459,486	-	-	-	2,459,486
Total Public Works	332,758,146	24,608,916	760,058	-	356,607,004
Total Governmental Capital Assets	<u>\$ 413,335,930</u>	<u>\$ 28,455,522</u>	<u>\$ 1,259,116</u>	<u>\$ -</u>	<u>\$ 440,532,336</u>

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OTHER SCHEDULES

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CITY OF JOLIET, ILLINOIS

Detailed Schedule Of Investments December 31, 2005

General Fund	
Certificates Of Deposit	
Bank Financial, 4.57%	\$ 1,398,146
First Midwest Bank NA, 3.90%	1,720,000
Founders Bank - Joliet, 3.552% To 4.197%	13,707,938
Harris Bank - Joliet, 4.06% To 4.27%	5,093,046
The Illinois Funds, Variable	<u>2,708,889</u>
Total General Fund	<u>24,628,019</u>
Special Revenue Funds	
Police Protection Fund	
The Illinois Funds, Variable	<u>1,757,021</u>
	<u>1,757,021</u>
Tax Increment Financing Fund #2	
Certificates Of Deposit	
First Midwest Bank NA, 2.86%	<u>89,000</u>
	<u>89,000</u>
Motor Fuel Tax Fund	
Certificates Of Deposit	
Harris Bank - Joliet, 3.857% To 4.50%	3,817,021
Merchants & Manufacturers Bank, 2.47%	<u>50,000</u>
	<u>3,867,021</u>
Total Special Revenue Funds	<u>5,713,042</u>
Capital Projects Funds	
Property Improvement Fund	
Certificates Of Deposit	
Harris Bank - Joliet, 4.12%	122,783
First Midwest Bank NA, 3.90%	<u>132,141</u>
	<u>254,924</u>
2002 Bond Fund	
Certificates Of Deposit	
Harris Bank - Joliet, 4.23%	<u>13,343</u>
	<u>13,343</u>
Total Capital Projects Funds	<u>268,267</u>

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CITY OF JOLIET, ILLINOIS

Detailed Schedule Of Investments December 31, 2005

Enterprise Funds

Waterworks And Sewerage Fund

Certificates Of Deposit

Bank Financial, 4.46% To 4.68%	\$ 8,709,801
First Community Bank, 4.101% To 4.330%	5,234,692
First Midwest Bank NA, 3.90%	443,144
First National Bank Of Illinois, 4.66%	3,063,683
Founders Bank - Joliet, 3.552% To 4.496%	15,163,929
Harris Bank - Joliet, 3.73% To 4.61%	23,345,449
Prairie Bank And Trust, 3.60%	2,972,529
The Illinois Funds, Variable	3,293,896

62,227,123

Waterworks And Sewerage Fund - Restricted Assets

Certificates Of Deposit

Bank Financial, 3.50% To 4.49%	4,355,181
First Midwest Bank NA, 2.665% To 3.60%	1,607,074
First National Bank Of Illinois, 3.55%	6,704,133
Founders Bank - Joliet, 4.099% To 4.447%	12,693,455
Harris Bank - Joliet, 3.62% To 4.50%	20,327,316

45,687,159

Parking Meter Fund

Certificates Of Deposit

Harris Bank - Joliet, 4.01% To 4.37%	469,000
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Total Enterprise Funds

108,383,282

Total Primary Government Investments

\$ 138,992,610

Trust And Agency Funds

Pension Trust Funds

Joliet Police Pension Fund

U.S. Treasury Money Market Funds	\$ 4,733,398
U.S. Treasury Obligations	18,576,205
U.S. Government Sponsored Agency Obligations	30,318,007
Mutual Funds	30,662,231

84,289,841

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CITY OF JOLIET, ILLINOIS

Detailed Schedule Of Investments December 31, 2005

Pension Trust Funds (continued)

Joliet Firefighters' Pension Fund

U.S. Treasury Money Market Funds	\$ 1,741,743
U.S. Treasury Obligations	11,404,281
U.S. Government Sponsored Agency Obligations	5,939,458
Fixed Insurance Annuities	2,778,413
Variable Insurance Annuities (Stock Funds)	11,289,989
Certificates Of Deposit	6,276,928
Common Stock	10,747,259
Mutual Funds	5,115,365

55,293,436

Total Trust And Agency Funds

\$ 139,583,277

Component Units

Will County Metropolitan Exposition and Auditorium Authority

Mutual Funds	\$ 220,669
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220,669

The Joliet Area Historical Museum

Certificates Of Deposit	240,609
Mutual Funds	83,478

324,087

Total Component Unit

\$ 544,756

Total Reported As Investments

\$ 279,120,643

Escrow Deposits

Enterprise Fund

LaSalle National Bank

Bond Paying Agent Escrow

\$ 4,124,754

Total Escrow Deposits

\$ 4,124,754

CITY OF JOLIET, ILLINOIS

General Obligation Bonds Schedule Of Debt Service Requirements December 31, 2005

	Series 2002		Series 2005	
	Interest	Principal	Interest	Principal
2006	\$ 27,500	\$ 550,000	\$ 509,844	\$ 35,000
2007	-	-	508,794	615,000
2008	-	-	490,344	640,000
2009	-	-	471,144	665,000
2010	-	-	447,869	695,000
2011	-	-	423,544	725,000
2012	-	-	398,169	755,000
2013	-	-	369,856	790,000
2014	-	-	338,256	825,000
2015	-	-	305,256	860,000
2016	-	-	270,856	895,000
2017	-	-	232,819	935,000
2018	-	-	193,081	980,000
2019	-	-	151,431	1,025,000
2020	-	-	104,025	1,070,000
2021	-	-	53,200	1,120,000
	<u>\$ 27,500</u>	<u>\$ 550,000</u>	<u>\$ 5,268,488</u>	<u>\$ 12,630,000</u>

	<u>Interest</u>	<u>Total</u> <u>Principal</u>	<u>Total</u>
\$	537,344	\$ 585,000	\$ 1,122,344
	508,794	615,000	1,123,794
	490,344	640,000	1,130,344
	471,144	665,000	1,136,144
	447,869	695,000	1,142,869
	423,544	725,000	1,148,544
	398,169	755,000	1,153,169
	369,856	790,000	1,159,856
	338,256	825,000	1,163,256
	305,256	860,000	1,165,256
	270,856	895,000	1,165,856
	232,819	935,000	1,167,819
	193,081	980,000	1,173,081
	151,431	1,025,000	1,176,431
	104,025	1,070,000	1,174,025
	<u>53,200</u>	<u>1,120,000</u>	<u>1,173,200</u>
\$	<u>5,295,988</u>	<u>\$ 13,180,000</u>	<u>\$ 18,475,988</u>

CITY OF JOLIET, ILLINOIS

Waterworks And Sewerage Fund Revenue Bonds Schedule Of Debt Service Requirements December 31, 2005

	Series 1989		Series 2002A		Series 2003	
	Interest	Principal	Interest	Principal	Interest	Principal
2006	\$ 625,219	\$ 1,650,000	\$ 990,948	\$ 810,000	\$ 391,600	\$ -
2007	502,313	1,800,000	963,025	855,000	391,600	-
2008	370,500	1,900,000	931,412	900,000	391,600	-
2009	229,781	2,050,000	896,099	945,000	391,600	-
2010	78,375	2,200,000	857,038	995,000	391,600	-
2011	-	-	814,695	1,045,000	391,600	-
2012	-	-	765,250	1,100,000	391,600	-
2013	-	-	708,750	1,160,000	391,600	-
2014	-	-	649,250	1,220,000	391,600	-
2015	-	-	586,625	1,285,000	391,600	-
2016	-	-	520,750	1,350,000	391,600	-
2017	-	-	451,375	1,425,000	311,800	4,200,000
2018	-	-	378,375	1,495,000	148,000	4,200,000
2019	-	-	301,625	1,575,000	32,000	1,600,000
2020	-	-	220,750	1,660,000	-	-
2021	-	-	135,625	1,745,000	-	-
2022	-	-	46,000	1,840,000	-	-
	<u>\$ 1,806,188</u>	<u>\$ 9,600,000</u>	<u>\$ 10,217,592</u>	<u>\$ 21,405,000</u>	<u>\$ 4,799,400</u>	<u>\$ 10,000,000</u>

Series 2004		Total		
Interest	Principal	Interest	Principal	Total
\$ 1,250,000	\$ -	\$ 3,257,767	\$ 2,460,000	\$ 5,717,767
1,250,000	-	3,106,938	2,655,000	5,761,938
1,250,000	-	2,943,512	2,800,000	5,743,512
1,215,000	1,400,000	2,732,480	4,395,000	7,127,480
1,145,000	1,400,000	2,472,013	4,595,000	7,067,013
1,075,000	1,400,000	2,281,295	2,445,000	4,726,295
943,750	3,850,000	2,100,600	4,950,000	7,050,600
746,250	4,050,000	1,846,600	5,210,000	7,056,600
538,750	4,250,000	1,579,600	5,470,000	7,049,600
321,250	4,450,000	1,299,475	5,735,000	7,034,475
105,000	4,200,000	1,017,350	5,550,000	6,567,350
-	-	763,175	5,625,000	6,388,175
-	-	526,375	5,695,000	6,221,375
-	-	333,625	3,175,000	3,508,625
-	-	220,750	1,660,000	1,880,750
-	-	135,625	1,745,000	1,880,625
-	-	46,000	1,840,000	1,886,000
<u>\$ 9,840,000</u>	<u>\$ 25,000,000</u>	<u>\$ 26,663,180</u>	<u>\$ 66,005,000</u>	<u>\$ 92,668,180</u>

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STATISTICAL SECTION

CITY OF JOLIET, ILLINOIS

Property Tax Rates And Tax Levies (Will And Kendal Counties) Last Ten Tax Levy Years

Fund	2005	2004	2003	2002
General	0.1270	0.0870	0.1755	0.2003
Police Protection	0.2118	0.2210	0.1700	0.1316
Fire Protection	0.0712	0.0825	0.0714	0.0816
Street And Bridge (Excluding Township Portion)	0.0541	0.0449	0.0348	0.0136
Street Lighting	0.0367	0.0424	0.0466	0.0220
School Crossing Guard	0.0049	0.0057	0.0063	0.0071
E.S.D.A.	0.0006	0.0007	0.0008	0.0009
Illinois Municipal Retirement Fund	0.0240	0.0277	0.0305	0.0348
Coliseum	0.0036	0.0042	0.0046	0.0053
Corporate Purpose Bond And Interest	0.0000	0.0000	0.0000	0.0000
Joliet Police Pension	0.1961	0.1962	0.1774	0.1970
Joliet Firemen Pension	0.1692	0.1738	0.1600	0.1733
Joliet Public Library	<u>0.1671</u>	<u>0.1792</u>	<u>0.1785</u>	<u>0.1867</u>
	<u>1.0663</u>	<u>1.0653</u>	<u>1.0564</u>	<u>1.0542</u>
General	\$ 2,915,636	\$ 1,724,677	\$ 3,167,321	\$ 3,165,952
Police Protection	4,862,454	4,381,077	3,068,061	2,080,076
Fire Protection	1,631,414	1,631,865	1,285,703	1,286,923
Street And Bridge (Excluding Township Portion)	1,242,015	890,092	628,050	214,962
Street Lighting	842,550	840,532	841,010	347,733
School Crossing Guard	112,493	112,996	113,699	112,223
E.S.D.A.	13,775	13,877	14,438	14,225
Illinois Municipal Retirement Fund	550,986	549,121	550,446	550,051
Coliseum	82,648	83,260	83,018	83,772
Corporate Purpose Bond And Interest	-	-	-	-
Joliet Police Pension	4,502,017	3,889,445	3,201,611	3,113,792
Joliet Firemen Pension	3,884,454	3,445,390	2,887,586	2,739,189
Joliet Public Library	<u>3,836,242</u>	<u>3,552,439</u>	<u>3,221,464</u>	<u>2,950,990</u>
	<u>\$ 24,476,684</u>	<u>\$ 21,114,771</u>	<u>\$ 19,062,407</u>	<u>\$ 16,659,888</u>

Note - Tax rates are per \$100 assessed valuation.

The Special Service Area and Tax Incremental Financing tax levies are not included in this schedule.

Information obtained from the respective County Clerk's Office.

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
0.1445	0.1523	0.0513	0.0587	0.0772	0.0984
0.1463	0.1592	0.1801	0.2020	0.2348	0.2696
0.0907	0.0920	0.1041	0.1167	0.1632	0.1782
0.0187	0.0261	0.0351	0.0557	0.0522	0.0681
0.0244	0.0266	0.0301	0.0337	0.0370	0.0407
0.0079	0.0086	0.0098	0.0109	0.0120	0.0132
0.0010	0.0011	0.0012	0.0014	0.0015	0.0016
0.0386	0.0421	0.0476	0.0533	0.0585	0.0644
0.0058	0.0063	0.0072	0.0080	0.0088	0.0097
0.0000	0.0000	0.1169	0.1311	0.1438	0.1582
0.1969	0.1794	0.1795	0.1747	0.1783	0.1849
0.1681	0.1496	0.1458	0.1549	0.1344	0.1492
<u>0.1977</u>	<u>0.1965</u>	<u>0.2302</u>	<u>0.2459</u>	<u>0.2568</u>	<u>0.2692</u>
<u>1.0406</u>	<u>1.0398</u>	<u>1.1389</u>	<u>1.2470</u>	<u>1.3585</u>	<u>1.5054</u>
\$ 2,054,776	\$ 1,990,155	\$ 592,598	\$ 604,588	\$ 724,965	\$ 839,657
2,080,372	2,080,320	2,080,448	2,080,525	2,204,944	2,300,524
1,286,610	1,199,014	1,199,610	1,199,391	1,532,188	1,520,599
265,912	341,057	405,462	573,689	490,196	581,104
346,966	347,591	347,704	347,097	347,457	347,297
112,337	112,379	113,206	112,266	112,689	112,637
14,220	14,374	13,862	14,419	14,086	13,653
548,888	550,135	549,857	548,970	549,358	549,532
82,475	82,324	83,172	82,397	82,638	82,771
-	-	1,350,385	1,350,281	1,350,387	1,349,937
2,799,899	2,344,280	2,073,517	1,799,345	1,674,368	1,577,770
2,390,366	1,954,873	1,684,227	1,595,412	1,262,115	1,273,139
<u>2,811,275</u>	<u>2,567,731</u>	<u>2,659,185</u>	<u>2,532,678</u>	<u>2,411,540</u>	<u>2,297,111</u>
<u>\$ 14,794,096</u>	<u>\$ 13,584,233</u>	<u>\$ 13,153,233</u>	<u>\$ 12,841,058</u>	<u>\$ 12,756,931</u>	<u>\$ 12,845,731</u>

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CITY OF JOLIET, ILLINOIS

Property Tax Extensions And Collections
(Will And Kendal Counties)
Last Ten Tax Levy Years

<u>Year</u>	<u>Tax Levy As Extended</u>	<u>Tax Collections</u>	<u>Percent Of Collections To Levy</u>
1995	\$ 12,837,993	\$ 12,593,023	98.1%
1996	12,845,731	12,725,566	99.1%
1997	12,756,931	12,501,057	98.0%
1998	12,841,059	12,769,434	99.4%
1999	13,153,233	13,009,719	98.9%
2000	13,584,233	13,357,705	98.3%
2001	14,794,096	14,872,194	100.5%
2002	16,659,888	16,670,525	100.1%
2003	19,062,407	19,154,998	100.5%
2004	21,114,771	20,631,707	97.7%

Exclusive of Township Road And Bridge, Tax Incremental Financing, and Special Service Area levies.

Note: Information obtained from the Will and Kendall Counties Treasurer's office.

CITY OF JOLIET, ILLINOIS

Assessed And Estimated Value Of Taxable Property Last Ten Tax Levy Years

	<u>Railroad Property</u>		<u>Farm Property</u>	
	<u>Assessed Value</u>	<u>Estimated Value</u>	<u>Assessed Value</u>	<u>Estimated Value</u>
<u>Will County</u>				
1996	\$ 705,742	\$ 2,117,226	\$ 1,265,434	\$ 3,796,302
1997	888,186	2,664,558	1,427,268	4,281,804
1998	1,002,176	3,006,528	1,201,614	3,604,842
1999	1,079,857	3,239,571	2,587,894	7,763,682
2000	1,111,193	3,333,579	2,380,149	7,140,447
2001	1,062,691	3,188,073	5,754,240	17,262,720
2002	1,082,485	3,247,455	2,420,224	7,260,672
2003	1,201,392	3,604,176	3,727,488	11,182,464
2004	1,207,738	3,623,214	2,872,344	8,617,032
2005	1,132,249	3,396,747	3,292,176	9,876,528
<u>Kendal County</u>				
1998	-	-	20,135	60,405
1999	-	-	109,119	327,357
2000	-	-	165,009	495,027
2001	-	-	79,976	239,928
2002	-	-	70,637	211,911
2003	-	-	48,002	144,006
2004	-	-	767,121	2,301,363
2005	-	-	750,581	2,251,743

There were no assessments in Kendal County prior to 1998.

Note: Information obtained from the respective County Clerk's Office.

<u>Non-Farm Property</u>		<u>Total</u>		<u>Percent Of Assessed Value To Total Estimated Value</u>
<u>Assessed Value</u>	<u>Estimated Value</u>	<u>Assessed Value</u>	<u>Estimated Value</u>	
\$ 851,338,998	\$ 2,554,016,994	\$ 853,310,174	\$ 2,559,930,522	33-1/3%
936,650,060	2,809,950,180	938,965,514	2,816,896,542	33-1/3%
1,025,060,818	3,075,182,454	1,027,264,608	3,081,793,824	33-1/3%
1,143,770,365	3,431,311,095	1,147,438,116	3,442,314,348	33-1/3%
1,289,043,254	3,867,129,762	1,292,534,596	3,877,603,788	33-1/3%
1,393,764,609	4,181,293,827	1,400,581,540	4,201,744,620	33-1/3%
1,555,052,463	4,665,157,389	1,558,555,172	4,675,665,516	33-1/3%
1,764,341,631	5,293,024,893	1,769,270,511	5,307,811,533	33-1/3%
1,924,149,574	5,772,448,722	1,928,229,656	5,784,688,968	33-1/3%
2,197,505,667	6,592,517,001	2,201,930,092	6,605,790,276	33-1/3%
2,677,925	8,033,775	2,698,060	8,094,180	33-1/3%
7,615,507	22,846,521	7,724,626	23,173,878	33-1/3%
15,030,450	45,091,350	15,195,459	45,586,377	33-1/3%
21,328,794	63,986,382	21,408,770	64,226,310	33-1/3%
36,687,794	110,063,382	36,758,431	110,275,293	33-1/3%
55,761,145	167,283,435	55,809,147	167,427,441	33-1/3%
75,648,413	226,945,239	76,415,534	229,246,602	33-1/3%
93,298,261	279,894,783	94,048,842	282,146,526	33-1/3%

CITY OF JOLIET, ILLINOIS

Property Tax Rates - All Overlapping Governments Last Ten Tax Levy Years (Unaudited)

Tax Rates Per \$100 Assessed Valuation (1)

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Major Operating Funds (2)	0.5008	0.4778	0.5003	0.4566
Pensions (IMRF, Police And Fire)	0.3893	0.3977	0.3679	0.4051
Bond And Interest	-	-	-	-
Library	0.1671	0.1792	0.1773	0.1867
All Other	0.0091	0.0106	0.0109	0.0058
Total City (3)	<u>1.0663</u>	<u>1.0653</u>	<u>1.0564</u>	<u>1.0542</u>
Will County (Including Forest Preserve)	0.6743	0.6943	0.7080	0.7376
Joliet Township	0.2780	0.2906	0.2931	0.3056
School District #204	2.0894	2.1507	2.1721	2.2723
School District #86	2.7192	2.8373	2.8701	3.0038
Community College #525	0.2088	0.2144	0.2108	0.2209
Joliet Park District	<u>0.3371</u>	<u>0.3485</u>	<u>0.3331</u>	<u>0.2302</u>
Total (4)	<u>7.3731</u>	<u>7.6011</u>	<u>7.6436</u>	<u>7.8246</u>

Notes:

- (1) Source: County Clerk, Will County
- (2) Includes corporate, street and bridge, street lighting, police protection and fire protection rates.
- (3) The City is a home rule unit under the 1970 Illinois State Constitution and, as such, has no statutory tax rate limitations
- (4) Representative tax rates for other governmental units are from Joliet Township tax code #3011, which represents approximately 35% of the City's 2005 EAV, the latest available.

2001	2000	1999	1998	1997	1996
0.4246	0.4562	0.4007	0.4668	0.5644	0.6550
0.4036	0.3711	0.3729	0.3829	0.3712	0.3985
-	-	0.1169	0.1311	0.1438	0.1582
0.1977	0.1965	0.2302	0.2459	0.2568	0.2692
0.0147	0.0160	0.0182	0.0203	0.0223	0.0245
1.0406	1.0398	1.1389	1.2470	1.3585	1.5054
0.7584	0.7640	0.7695	0.7539	0.7699	0.7778
0.3197	0.3082	0.3196	0.3314	0.3368	0.3580
2.0310	1.9201	1.9498	1.9922	2.0155	2.0155
2.9734	2.9710	2.5942	2.0993	2.1384	2.1660
0.2237	0.2217	0.2211	0.2202	0.3711	0.2145
0.2455	0.2413	0.2505	0.2589	0.2633	0.2697
7.5923	7.4661	7.2436	6.9029	7.2535	7.3069

CITY OF JOLIET, ILLINOIS

Ratio Of Net General Bonded Debt To Assessed
Value And Net General Bonded Debt Per Capita

Last Ten Years
(Unaudited)

Year	Population	Assessed Value	Net General Bonded Debt Outstanding (2)	Ratio Of Net General Bonded Debt To Assessed Value	Net General Bonded Debt Per Capita
1996	89,000 (1)	\$ 853,310,174	\$ 21,240,603	2.4892%	\$ 238.66
1997	90,647	938,965,514	22,660,185	2.4133%	249.98
1998	90,647	1,029,962,668	21,577,638	2.0950%	238.04
1999	90,647	1,155,162,742	15,922,247	1.3784%	175.65
2000	106,221	1,307,730,055	-	0.0000%	-
2001	106,221	1,421,990,310	-	0.0000%	-
2002	106,221	1,595,313,603	-	0.0000%	-
2003	126,939	1,825,079,658	-	0.0000%	-
2004	126,939	2,004,645,190	-	0.0000%	-
2005	145,803	2,295,978,934	-	0.0000%	-

(1) Estimated. Source - U.S. Census Bureau

(2) Includes only Bonded Debt to be paid through property tax levies.

The City operates under the Illinois Municipal Code and as such, is not subject to the legal debt margins established by the Local Debt Limitation Act (50 ILCS 405).

CITY OF JOLIET, ILLINOIS

Ratio Of Debt Service Expenditures For Long-Term Debt To Total General Governmental Expenditures

Last Ten Years

Year	Principal	Interest And Other	Total Debt Service	(1) Total General Governmental Expenditures	Ratio Of Debt Service To Total General Governmental Expenditures
1996	\$ 3,850,464	\$ 2,946,703	\$ 6,797,167	\$ 86,333,114	7.9%
1997	7,525,673	2,327,523	9,853,196	90,571,220	10.9%
1998	2,527,772	1,331,256	3,859,028	87,719,357	4.4%
1999	3,071,916	1,524,106	4,596,022	94,001,360	4.9%
2000	4,178,473	1,479,215	5,657,688	104,654,332	5.4%
2001	623,047	1,679,180	2,302,227	108,964,194	2.1%
2002	5,041,853	1,830,239	6,872,092	120,596,422	5.7%
2003	15,190,766	1,254,299	16,445,065	133,723,165	12.3%
2004	2,350,000	757,616	3,107,616	126,408,404	2.5%
2005	2,355,000	352,451	2,707,451	139,718,968	1.9%

(1) Includes General Fund, All Special Revenue Funds And All Debt Service Funds
For Both Primary Government And All Component Units.

CITY OF JOLIET, ILLINOIS

General Governmental Revenues By Source (1) Last Ten Years

Year	Property Taxes	Gaming Taxes	Other Taxes	Grants And Allotments	Charges For Services
1996	\$ 10,598,170	\$ 23,850,871	\$ 38,692,732	\$ 6,609,129	\$ 3,467,650
1997	10,649,920	22,449,284	39,270,035	8,739,454	1,880,099
1998	13,513,799	22,421,070	43,006,551	8,407,219	2,072,085
1999	13,923,459	26,311,922	46,877,525	7,480,215	2,374,058
2000	14,989,106	30,741,760	49,798,787	8,606,797	2,421,006
2001	16,525,707	33,180,133	50,894,351	13,310,582	3,075,522
2002	18,988,586	32,858,253	50,802,323	13,527,016	3,574,132
2003	21,224,365	29,494,839	53,245,787	9,481,148	3,729,939
2004	24,153,735	28,775,086	57,089,348	9,190,669	4,455,392
2005	26,383,374	31,721,572	63,446,242	9,890,396	4,675,939

(1) Includes General Fund, All Special Revenue Funds And All Debt Service Funds
For Both Primary Government And All Component Units.

Interest Earnings	License, Permits, Rentals And Fees	Fines	Special Assessments	Other	Total
\$ 2,897,013	\$ 3,164,744	\$ 588,458	\$ 152,808.00	\$ 1,037,326	\$ 91,058,901
2,068,719	2,448,862	599,374	-	1,796,574	89,902,321
2,633,509	2,876,430	641,523	337,522	2,236,991	98,146,699
2,626,909	3,051,217	679,825	866,029	1,455,064	105,646,223
3,683,395	3,079,207	895,931	837,396	1,278,757	116,332,142
3,000,656	3,263,302	880,345	486,013	2,129,525	126,746,136
1,519,943	5,823,496	927,636	344,827	1,049,260	129,415,472
920,027	8,166,883	1,022,829	367,811	1,392,143	129,045,771
524,627	10,440,992	1,132,557	397,173	1,187,373	137,346,952
1,033,200	13,881,396	1,197,945	450,400	1,257,931	153,938,395

CITY OF JOLIET, ILLINOIS

General Governmental Expenditures By Function (1) Last Ten Years

Year	General Government	Public Safety	Streets And Bridges	Refuse Disposal	Library
1996	\$ 9,654,579	\$ 25,226,702	\$ 13,356,713	\$ 2,597,043	\$ 2,000,869
1997	9,894,905	27,778,827	15,182,803	2,760,903	2,137,065
1998	9,628,324	29,229,112	15,348,512	2,906,065	3,072,613
1999	9,370,715	31,752,000	14,723,613	4,067,450	2,817,282
2000	9,402,732	35,049,988	15,527,832	4,221,320	2,781,340
2001	9,708,797	38,177,939	17,675,897	4,395,113	3,102,208
2002	10,864,133	41,174,286	19,360,913	5,933,494	3,061,385
2003	8,314,213	43,578,585	16,696,391	6,265,563	3,806,350
2004	10,708,320	45,075,157	16,550,975	7,042,401	4,276,773
2005	11,291,358	49,865,798	19,596,225	7,607,550	4,459,916

(1) Includes General Fund, All Special Revenue Funds And All Debt Service Funds
For Both Primary Government And All Component Units.

Culture And Recreation	Employee Benefits And Pension Plans	Community Development	Capital Projects	Debt Service	Total
\$ 3,827,057	\$ 10,558,551	\$ 4,052,795	\$ 8,261,638	\$ 6,797,167	\$ 86,333,114
345,430	10,389,511	4,465,147	7,763,433	9,853,196	90,571,220
713,779	14,543,931	4,139,027	4,278,966	3,859,028	87,719,357
707,149	15,701,169	4,727,139	5,538,821	4,596,022	94,001,360
283,930	18,082,179	4,527,816	9,119,507	5,657,688	104,654,332
336,448	19,616,707	4,518,753	9,130,105	2,302,227	108,964,194
315,389	20,782,865	5,726,726	6,505,139	6,872,092	120,596,422
1,394,673	24,775,119	4,854,877	7,592,329	16,445,065	133,723,165
4,147,068	25,766,432	5,408,402	4,325,260	3,107,616	126,408,404
4,025,240	29,636,038	5,491,588	5,037,804	2,707,451	139,718,968

CITY OF JOLIET, ILLINOIS

Detailed Overlapping Debt
December 31, 2005
(Unaudited)

	<u>Total Debt</u>	<u>Applicable Percent (1)</u>	<u>Overlapping Debt</u>
<u>Schools</u>			
Elementary			
Troy Community Consolidated School District #30C	\$ 64,170,000	56.622%	\$ 36,334,362
Laraway Community Consolidated School District #70C	2,795,000	40.775%	1,139,653
Joliet Public Schools District #86	39,162,695	95.991%	37,592,622
New Lenox School District #122	119,319,384	6.259%	7,468,482
High Schools And College			
Minooka Community High School District #111	24,625,000	0.560%	137,863
Joliet Township High School District #204	22,425,000	64.680%	14,504,416
Lockport Township High School District #205	22,411,996	0.022%	5,011
New Lenox Township High School District #210	54,660,000	1.576%	861,688
Unit School District #202U	240,061,000	29.362%	70,485,684
Community College District #525	2,020,000	14.518%	293,257
Total Schools			<u>168,823,038</u>
<u>Other Than Schools</u>			
Will County (2)	39,885,000	13.656%	5,446,749
Will County Forest Preserve District	169,107,308	13.656%	23,093,520
New Lenox Township	1,380,894	6.222%	85,915
Joliet Park District	7,386,050	85.004%	6,278,428
Channahon Park District	6,455,000	0.396%	25,576
Lockport Park District	6,214,458	0.032%	1,960
Plainfield Park District	7,745,000	35.542%	2,752,731
New Lenox Park District	6,655,000	6.625%	440,889
New Lenox Library District	10,240,000	0.010%	1,062
Plainfield Public Library District	2,150,000	11.829%	254,325
Total Other Than Schools			<u>38,381,155</u>
Total Overlapping Debt			<u>\$ 207,204,193</u>

Notes: (1) Overlapping debt percentages based on 2005 EAV.
(2) Includes the Public Building Commission.

CITY OF JOLIET, ILLINOIS

Principal Taxpayers
December 31, 2005
(Unaudited)

The following is a list of the large taxpayers located within the City.

Taxpayer Name	Principal Taxpayers Business/Service	2005 Equalized Assessed Valuation
Louis Joliet LLC	Westfield Louis Joliet Mall	\$ 20,518,032
Dollar Tree Distribution Inc.	Dollar Tree Distribution Center	17,288,719
Teachers Insurance & Annuity Assoc.	Rock Run Industrial Park	12,967,275
Empress River Casino Co.	Empress / Gaming	12,076,661
Harris Bank Joliet N.A.	Bank	11,282,552
Raceway Associates, LLC	Race Track	10,414,214
First Midwest Bank	Bank	10,078,160
DesPlaines Development	Harrah's / Gaming	8,569,078
Menard, Inc	Jefferson Square Mall	6,628,194
Equity Ind. Limited Partnership IV	Toys R Us / Warehousing	6,252,968
Joliet Joint Venture LLC	Real Estate	5,552,866
Wal-Mart Real Estate Bus Tr	Department Store	4,873,137
M&J LJP Parkway LP	L.J. Pointe Mall	4,810,731
American Store Realty	Jewel/Osco Food Store	4,661,190
Larkin Village LP	Apartment Complex	4,586,153
Inland Joliet Commons	Movie Theatre	4,518,076
Industrial Dev Int Inc	Industrial Park/Business Park	4,245,623
Burnham Management	Apartment Complex	4,119,566
Route 66 Raceway, LLC	Race Track	4,024,927
Simon Property Group	Northridge Mall	3,978,983
First Midwest Bank	Bank	3,968,530
Southfield Bus Park I LLC	Industrial/Business Park	3,922,567
Strs Qh IL Real Estate Inv LLC	Real Estate	3,896,912
Hawk Realco LLC	Real Estate	3,881,009
Industrial Property Fund VI	Industrial/Business Park	3,549,072
Midwest Comm Real Estate	Silver Cross Hospital Medical Offices	3,482,548
Industrial Property Fund II	Rock Run Industrial Park	3,184,272
Kat-Joliet LLC	Caterpillar/Earthmoving Equipment	3,134,397
Homart Development	Department Store	3,115,368
Joliet Properties	Apartments/White Birch Lane	3,083,065
Atlantic Financial Group	Electrical Products	2,939,537
Ameritech - Illinois	Utility Building	2,819,397
Industrial Property III LP	Rock Run Industrial Park	2,669,210
IPF / Marycrest Limited Partnership	Shopping Center	2,606,519
Unimast Inc	Manufacture/Metal Studs	2,606,262
Total		\$ 210,305,770

Ten Largest Taxpayers As A Percent Of The City's 2005 EAV:

5.79%

NOTE: Every effort has been made to identify the largest taxpayers. However, some taxpayers may have multiple parcels which may have been overlooked. The 2005 EAV is the most current available. Source - Will County Treasurer's Office.

CITY OF JOLIET, ILLINOIS

General Fund Comparative Balance Sheet December 31,

ASSETS	2005	2004	2003	2002
Cash And Investments	\$ 24,705,401	\$ 15,926,442	\$ 18,553,234	\$ 13,978,119
Escrow Deposits	-	9,763	191,865	188,654
Receivables, Net Of Allowance For Uncollectible Amounts	8,651,396	6,517,151	7,414,518	7,691,724
Inventory	1,496,871	2,044,590	1,567,007	692,191
Internal Receivables	14,800,081	11,291,522	7,928,340	9,186,304
Total Assets	\$ 49,653,749	\$ 35,789,468	\$ 35,654,964	\$ 31,736,992
LIABILITIES AND FUND BALANCE				
Liabilities				
Vouchers Payable	\$ 1,741,915	\$ 1,903,838	\$ 1,092,381	\$ 1,315,073
Accrued Interest	-	-	-	-
Accrued Compensated Absences	-	1,373,314	1,295,562	1,259,718
Estimated Liability For Self-Insured Losses	4,697,996	4,334,972	4,505,860	3,384,287
Deferred Revenue	3,480,057	1,979,532	3,343,138	3,315,521
Internal Payables	529,473	397,177	415,061	1,268,966
Loans Payable	1,496,871	2,044,590	1,567,007	692,191
Other	2,976,945	2,791,144	2,769,460	1,581,793
Total Liabilities	14,923,257	14,824,567	14,988,469	12,817,549
Fund Balance	34,730,492	20,964,901	20,666,495	18,919,443
Total Liabilities And Fund Balance	\$ 49,653,749	\$ 35,789,468	\$ 35,654,964	\$ 31,736,992

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$ 17,232,459	\$ 24,139,903	\$ 26,372,094	\$ 24,201,786	\$ 24,978,125	\$ 29,711,444
1,389,639	1,348,812	14,999,407	8,884,632	5,957,740	11,419,284
7,041,004	6,560,498	5,039,047	5,077,527	7,189,867	5,182,790
1,035,605	889,838	-	-	-	-
3,111,156	3,297,783	3,857,300	6,179,257	3,376,955	4,073,258
<u>\$ 29,809,863</u>	<u>\$ 36,236,834</u>	<u>\$ 50,267,848</u>	<u>\$ 44,343,202</u>	<u>\$ 41,502,687</u>	<u>\$ 50,386,776</u>
\$ 1,493,272	\$ 887,049	\$ 1,074,014	\$ 935,528	\$ 1,290,391	\$ 496,466
-	-	4,327	4,327	4,326	4,327
1,160,588	1,055,989	938,587	879,463	795,524	717,212
3,045,664	2,565,645	2,102,478	-	-	-
2,207,615	2,179,052	786,924	754,693	863,494	1,013,510
897,906	1,885,003	770,432	1,085,472	2,101,424	981,405
1,035,605	889,838	-	-	-	-
1,153,641	675,669	445,608	450,503	466,531	126,557
10,994,291	10,138,245	6,122,370	4,109,986	5,521,690	3,339,477
18,815,572	26,098,589	44,145,478	40,233,216	35,980,997	47,047,299
<u>\$ 29,809,863</u>	<u>\$ 36,236,834</u>	<u>\$ 50,267,848</u>	<u>\$ 44,343,202</u>	<u>\$ 41,502,687</u>	<u>\$ 50,386,776</u>

CITY OF JOLIET, ILLINOIS

General Fund Comparative Statements Of Revenue, Expenditures And Changes In Fund Balance For The Years Ended December 31,

	2005	2004	2003	2002
Revenue				
Property Taxes	\$ 1,713,840	\$ 3,219,430	\$ 3,185,454	\$ 2,072,279
Other Taxes	48,665,671	42,814,826	42,629,979	44,664,712
Grants And Allotments	930,519	716,916	602,233	1,700,888
Charges For Services	325,123	119,037	32,550	77,007
Interest	781,880	326,475	316,293	475,591
Licenses, Permits, Rentals, Fees And Fines	14,988,749	11,477,212	9,099,006	6,695,275
Other	523,739	541,570	471,719	566,820
Total Revenue	<u>67,929,521</u>	<u>59,215,466</u>	<u>56,337,234</u>	<u>56,252,572</u>
Expenditures				
General Government	11,069,084	10,708,320	8,314,213	10,807,733
Public Safety	1,114,509	344,114	102,275	147,350
Street and Bridges	154,000	942	-	-
Refuse Disposal	7,607,550	7,042,401	6,265,563	5,933,494
Culture and Recreation	2,357,215	2,600,455	-	-
Employee Benefits And Pension Plans	16,600,153	14,556,485	14,702,997	11,468,366
Community Development	3,424,111	3,196,389	2,570,891	3,364,500
Capital Projects	630,633	2,005,745	6,470,292	6,505,139
Debt Service	-	-	-	-
Total Expenditures	<u>42,957,255</u>	<u>40,454,851</u>	<u>38,426,231</u>	<u>38,226,582</u>
Revenue Over (Under) Expenditures	24,972,266	18,760,615	17,911,003	18,025,990
Other Financing Sources (Uses)				
Operating Transfers, Net	(12,590,669)	(18,479,834)	(16,163,951)	(17,922,119)
Sale Of Capital Assets	10,680	17,625	-	-
Bond Restructure And Debt Proceeds	-	-	-	-
Revenue And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	12,392,277	298,406	1,747,052	103,871
Other Changes In Fund Balance				
Other Adjustments	1,373,314	-	-	-
Fund Balance, Beginning	<u>20,964,901</u>	<u>20,666,495</u>	<u>18,919,443</u>	<u>18,815,572</u>
Fund Balance, Ending	<u>\$ 34,730,492</u>	<u>\$ 20,964,901</u>	<u>\$ 20,666,495</u>	<u>\$ 18,919,443</u>

2001	2000	1999	1998	1997	1996
\$ 1,950,587	\$ 587,231	\$ 604,102	\$ 720,609	\$ 830,474	\$ 1,034,616
48,290,621	44,774,173	40,847,884	34,760,024	30,493,321	35,152,602
422,075	1,028,218	551,565	862,090	1,428,142	312,364
85,463	22,903	27,398	120,084	-	-
1,318,570	2,935,276	1,871,186	1,842,460	1,708,153	2,377,435
4,068,261	3,869,423	3,622,016	3,378,023	2,940,557	2,681,121
883,040	431,784	470,946	351,583	936,727	412,622
57,018,617	53,649,008	47,995,097	42,034,873	38,337,374	41,970,760
9,624,197	9,402,732	9,370,715	9,628,324	9,894,905	9,640,914
129,968	133,787	-	-	-	-
-	-	-	-	-	-
4,395,113	4,221,320	4,067,450	2,906,065	2,760,903	2,597,043
-	-	-	-	-	-
11,564,239	10,679,773	8,816,546	8,078,776	7,293,325	7,535,176
2,184,790	2,273,804	2,367,119	1,656,551	1,704,021	1,376,368
9,130,105	9,119,507	5,538,821	4,278,966	7,763,433	7,813,421
192,019	608,377	608,378	112,915	-	156
37,220,431	36,439,300	30,769,029	26,661,597	29,416,587	28,963,078
19,798,186	17,209,708	17,226,068	15,373,276	8,920,787	13,007,682
(27,081,203)	(35,256,597)	(11,653,562)	(11,602,761)	(19,987,089)	(8,877,935)
-	-	-	-	-	-
-	-	437,557	481,704	-	-
(7,283,017)	(18,046,889)	6,010,063	4,252,219	(11,066,302)	4,129,747
-	-	(2,097,801)	-	-	(23)
26,098,589	44,145,478	40,233,216	35,980,997	47,047,299	42,917,575
\$ 18,815,572	\$ 26,098,589	\$ 44,145,478	\$ 40,233,216	\$ 35,980,997	\$ 47,047,299

CITY OF JOLIET, ILLINOIS

Waterworks And Sewerage Fund Comparative Statements Of Revenue And Expense For The Years Ended December 31,

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Operating Revenue, Primarily Water And Sewer Service Charges	\$ 34,240,733	\$ 31,146,539	\$ 29,427,182	\$ 26,035,035
Operating Expense				
Personnel Services And Benefits	6,931,791	6,103,990	5,857,004	5,624,883
Purchased Professional Services	517,050	459,254	622,969	588,758
Purchased Property Services	1,286,919	1,122,594	1,287,664	985,147
Other Purchased Services	116,796	105,970	111,333	114,438
Supplies	4,847,202	4,481,385	4,300,025	4,177,266
Repairs And Rehabilitation	3,216,472	2,145,735	1,769,991	803,207
Depreciation	6,820,733	6,288,169	5,153,511	4,764,135
Miscellaneous	1,938	190,861	195	82,421
Total Operating Expense	<u>23,738,901</u>	<u>20,897,958</u>	<u>19,102,692</u>	<u>17,140,255</u>
Operating Income	10,501,832	10,248,581	10,324,490	8,894,780
Operating Transfers, Net	(5,924,050)	(5,543,105)	(927,785)	(4,919,151)
Gain (Loss) On Disposal Of Capital Assets	-	(1,460,079)	(1,781,078)	-
Grants From Other Governmental Agencies	-	23,631	72,946	18,423
Financial Income (Expense)	<u>952,565</u>	<u>(785,095)</u>	<u>(395,032)</u>	<u>619,764</u>
Net Income Before Capital Contributions	<u>\$ 5,530,347</u>	<u>\$ 2,483,933</u>	<u>\$ 7,293,541</u>	<u>\$ 4,613,816</u>

Waterworks And Sewerage Fund Comparative Schedule Of Income And Debt Service Payments For The Years Ended December 31,

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Operating Income And Operating Transfers	\$ 4,577,782	\$ 4,705,476	\$ 9,396,705	\$ 3,975,629
Grants From Other Governmental Agencies	-	23,631	72,946	18,423
Financial Income	<u>3,977,585</u>	<u>2,215,344</u>	<u>1,592,564</u>	<u>2,439,393</u>
Totals	8,555,367	6,944,451	11,062,215	6,433,445
Payments Of Bond Principal And Interest	<u>6,131,975</u>	<u>4,289,642</u>	<u>4,182,596</u>	<u>2,919,629</u>
Operating Income, Grants And Financial Income Over Debt Service Payments	<u>\$ 2,423,392</u>	<u>\$ 2,654,809</u>	<u>\$ 6,879,619</u>	<u>\$ 3,513,816</u>

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$ 25,149,590	\$ 23,702,035	\$ 23,040,622	\$ 20,662,382	\$ 22,410,957	\$ 21,092,124
5,175,517	4,869,383	4,452,720	4,120,240	3,739,311	3,507,789
354,282	360,714	312,486	316,858	301,013	247,451
1,050,589	958,719	867,915	907,126	860,624	879,296
120,834	102,018	85,945	78,931	79,493	74,955
3,658,151	3,619,518	3,369,340	3,245,037	3,453,784	3,296,853
959,787	523,805	579,249	1,371,640	893,760	907,799
4,522,255	4,063,223	3,751,109	3,574,690	3,130,288	2,877,782
80,261	74	97	1,161	50	37
15,921,676	14,497,454	13,418,861	13,615,683	12,458,323	11,791,962
9,227,914	9,204,581	9,621,761	7,046,699	9,952,634	9,300,162
(2,944,076) (2,758,118) (978,138) (2,707,608) (1,950,013) (1,628,150)
-	-	-	-	-	-
-	-	-	-	-	7,297,730
3,211,655	3,867,446	2,345,294	2,113,564	2,462,288	717,450
\$ 9,495,493	\$ 10,313,909	\$ 10,988,917	\$ 6,452,655	\$ 10,464,909	\$ 15,687,192

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$ 6,283,838	\$ 6,446,463	\$ 8,643,623	\$ 4,339,091	\$ 8,002,621	\$ 7,672,012
-	-	-	-	-	7,297,730
4,287,419	5,241,836	3,873,700	3,784,389	4,127,874	2,918,226
10,571,257	11,688,299	12,517,323	8,123,480	12,130,495	17,887,968
1,075,764	3,004,390	4,063,406	4,070,825	5,490,586	8,050,776
\$ 9,495,493	\$ 8,683,909	\$ 8,453,917	\$ 4,052,655	\$ 6,639,909	\$ 9,837,192

CITY OF JOLIET, ILLINOIS

Condensed Statement Of Revenue, Expenditures And Changes In Municipal Equity - All Funds For The Years Ended December 31,

	2005	2004	2003	2002
Revenue				
Property Taxes, Net	\$ 22,551,564	\$ 20,599,641	\$ 18,025,877	\$ 15,983,523
Other Taxes	95,167,814	85,864,434	82,740,626	83,660,576
Grants, Allotments And Entitlements	8,323,112	7,735,917	7,635,397	8,891,570
Charges For Services	39,435,213	36,165,300	33,836,728	30,338,656
Investment Earnings	9,687,777	6,587,434	6,502,309	8,371,040
Licenses, Permits And Fees	13,881,396	10,440,992	8,166,883	5,823,496
Special Assessments Levied	569,421	547,993	634,982	638,514
Fines	1,197,945	1,132,557	1,022,829	927,636
Plan Member Contributions	3,287,604	3,075,536	2,828,873	2,652,291
Employer Contributions	7,338,113	6,133,897	5,893,660	5,226,686
Net Investment Appreciation	694,797	3,223,997	6,824,708 (5,068,220)
Other	1,255,264	1,168,497	1,480,470	5,019,895
Total Revenue	203,390,020	182,676,195	175,593,342	162,465,663
Expenditures				
General Government	29,242,764	26,180,537	23,140,972	24,102,311
Public Safety	49,959,829	45,075,157	43,578,585	41,174,286
Streets And Bridges	23,341,457	16,804,960	16,696,391	19,360,913
Refuse Disposal	7,607,550	7,042,401	6,265,563	5,933,494
Culture And Recreation	2,957,061	3,166,094	292,358	24,311,699
Employee Benefits	38,795,296	34,184,598	32,154,348	27,634,123
Community Development	5,491,588	5,408,402	4,854,877	5,726,726
Capital Projects	7,653,425	13,350,124	22,551,160	20,254,927
Debt Service-Principal	2,355,000	2,350,000	15,190,766	5,041,853
Debt Service-Interest & Other	3,377,471	3,758,055	3,241,895	3,649,868
Depreciation	7,000,929	6,468,509	5,320,058	4,918,773
Total Expenditures	177,782,370	163,788,837	173,286,973	182,108,973
Revenue Over (Under) Expenditures	25,607,650	18,887,358	2,306,369 (19,643,310)
Other Financing Sources (Uses)				
Net Bond And Loan Proceeds	224,386	-	-	15,043,371
Sale/Disposal Of Capital Assets	23,837 (1,434,689) (1,781,078)	-
Other Adjustments	-	-	-	-
Revenue And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	25,855,873	17,452,669	525,291 (4,599,939)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$	13,749,103	\$ 12,351,134	\$ 11,400,116	\$ 11,119,592	\$ 11,187,995	\$ 11,215,616
	84,074,484	80,540,547	73,189,447	65,427,621	61,719,319	61,547,483
	7,854,213	7,929,797	6,834,425	7,726,294	7,991,299	13,197,841
	28,927,053	26,793,169	26,191,408	23,522,490	25,060,440	23,438,943
	12,022,634	15,158,575	12,519,692	10,738,902	10,879,817	10,628,732
	3,263,302	3,052,693	3,032,518	2,853,109	2,426,073	2,182,255
	663,761	1,029,825	641,912	510,454	173,757	325,039
	880,345	1,067,415	1,086,818	597,173	558,762	1,191,462
	2,497,281	2,176,256	1,935,738	1,773,138	1,636,186	1,500,307
	4,218,505	3,721,768	3,387,142	2,912,870	-	-
(3,086,472)	(2,922,946)	588,342	4,311,638	2,991,046	(724,078)
	<u>2,147,383</u>	<u>1,007,791</u>	<u>1,149,401</u>	<u>1,939,970</u>	<u>1,439,311</u>	<u>845,705</u>
	<u>157,211,592</u>	<u>151,906,024</u>	<u>141,956,959</u>	<u>133,433,251</u>	<u>126,064,005</u>	<u>125,349,305</u>
	21,831,327	20,522,996	19,749,872	20,347,501	19,859,872	19,544,978
	38,177,939	35,049,988	31,752,000	29,229,112	27,778,827	25,226,702
	17,675,897	15,527,832	14,723,613	15,348,512	15,182,803	13,356,713
	4,395,113	4,221,320	4,067,450	2,906,065	2,760,903	2,597,043
	23,586,271	253,619	252,773	230,743	264,266	224,074
	25,992,834	23,798,100	20,992,838	19,533,089	14,914,733	14,703,855
	4,518,753	4,527,816	4,727,139	4,139,027	4,465,147	4,052,795
	17,159,240	19,287,668	13,031,713	15,235,586	16,728,061	13,863,595
	623,047	3,513,473	3,071,916	2,527,772	6,700,673	3,330,464
	2,754,944	2,518,339	3,066,298	3,019,934	3,635,610	4,506,459
	<u>4,675,561</u>	<u>4,190,840</u>	<u>3,862,207</u>	<u>3,686,023</u>	<u>3,241,433</u>	<u>2,987,348</u>
	<u>161,390,926</u>	<u>133,411,991</u>	<u>119,297,819</u>	<u>116,203,364</u>	<u>115,532,328</u>	<u>104,394,026</u>
(4,179,334)	18,494,033	22,659,140	17,229,887	10,531,677	20,955,279
	-	-	437,557	2,678,769	-	-
	-	-	-	-	(250,000)	-
(<u>1,135,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(5,314,334)	18,494,033	23,096,697	19,908,656	10,281,677	20,955,279

CITY OF JOLIET, ILLINOIS

Condensed Statement Of Revenue, Expenditures And Changes In Municipal Equity - All Funds Continued For The Years Ended December 31,

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Balance Brought Forward	\$ 25,855,873	\$ 17,452,669	\$ 525,291	(\$ 4,599,939)
Net Change In Encumbrances	(845,823)	2,016,713	2,351,350	10,797,869
Contributed Capital	7,491,232	4,953,311	4,203,842	3,885,277
Prior Period Adjustments	10,300,117	-	-	-
Unencumbered Municipal Equity, Beginning	<u>370,136,474</u>	<u>345,713,781</u>	<u>338,633,298</u>	<u>328,550,091</u>
Unencumbered Municipal Equity, Ending	412,937,873	370,136,474	345,713,781	338,633,298
Reserve For Encumbrances	<u>7,933,801</u>	<u>7,087,978</u>	<u>9,104,691</u>	<u>11,456,041</u>
Total Municipal Equity, Ending	<u>\$ 420,871,674</u>	<u>\$ 377,224,452</u>	<u>\$ 354,818,472</u>	<u>\$ 350,089,339</u>

NOTE: The above all funds format does not conform to generally accepted accounting principles and is intended for analytical purposes only.

The above includes all governmental funds, proprietary funds and pension trust funds of the primary government only.

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
(\$ 5,314,334)	\$ 18,494,033	\$ 23,096,697	\$ 19,908,656	\$ 10,281,677	\$ 20,955,279
(14,364,965)	2,849	(1,957,737)	1,696,344	17,406,061	18,183,199
6,098,948	5,146,127	5,520,106	4,855,973	12,364,786	4,468,705
-	(458,224)	(2,097,801)	-	(2,793,581)	-
<u>342,130,442</u>	<u>318,945,657</u>	<u>294,384,392</u>	<u>267,923,419</u>	<u>230,664,476</u>	<u>187,057,293</u>
328,550,091	342,130,442	318,945,657	294,384,392	267,923,419	230,664,476
<u>22,253,910</u>	<u>7,888,945</u>	<u>7,891,794</u>	<u>5,934,057</u>	<u>7,630,401</u>	<u>25,036,462</u>
<u>\$ 350,804,001</u>	<u>\$ 350,019,387</u>	<u>\$ 326,837,451</u>	<u>\$ 300,318,449</u>	<u>\$ 275,553,820</u>	<u>\$ 255,700,938</u>

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CITY OF JOLIET, ILLINOIS

Demographic Statistics

Last Ten Years
(Unaudited)

Year	Population (#1)	School Enrollment (#2)	Unemployment Rate (#3)
1996	89,000	12,750	8.0%
1997	90,647	13,399	7.7%
1998	90,647	13,338	7.2%
1999	90,647	13,490	5.4%
2000	106,221	13,672	6.4%
2001	106,221	14,054	7.9%
2002	106,221	14,446	6.4%
2003	126,939	15,085	6.9%
2004	126,939	15,286	5.9%
2005	145,803	18,584	5.4%

Sources: (1) U.S. Census Bureau
(2) Joliet Township High Schools District # 204 and Joliet Public Schools District #86
(3) Illinois Department Employment Security.

CITY OF JOLIET, ILLINOIS

City Building Permits

Last Ten Years
(Excludes The Value Of Land)
(Unaudited)

Year	Units	Single-Family Value	Number	Multi-Family Value	New Commercial And Industrial (1)
1996	1011	\$ 85,594,174	56	\$ 12,448,018	\$ 33,423,608
1997	972	87,183,876	69	15,320,228	54,232,036
1998	1,044	97,029,656	146	32,575,770	49,407,408
1999	1232	110,361,888	137	31,740,279	139,739,927
2000	1256	122,763,303	82	19,450,027	90,335,349
2001	1547	151,589,917	118	33,122,908	62,513,784
2002	1517	154,851,134	104	28,806,838	88,701,069
2003	1392	178,104,968	82	28,744,204	102,796,706
2004	1197	183,713,873	157	47,733,476	92,016,032
2005	1534	274,795,516	159	49,950,838	122,684,137

Notes:

- (1) In addition to original construction, "New Construction" includes remodeling and repairs.
- (2) "Other" construction includes garages, storage buildings, swimming pools, fences, awnings and demolition.

Source: City of Joliet - Building Inspection Permit Department

Commercial Additions	All Other (2)	Total
\$ 160,000	\$ 33,944,257	\$ 165,570,057
4,190,500	10,896,772	171,823,412
3,111,400	29,856,328	211,980,562
2,324,988	20,807,831	304,974,913
547,500	28,477,485	261,573,664
8,882,000	15,659,112	271,767,721
5,631,750	26,838,793	304,829,584
5,111,000	31,638,391	346,395,269
7,615,000	54,581,689	385,660,070
8,504,000	31,460,495	487,394,986

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SINGLE AUDIT REPORTS

CITY OF JOLIET, ILLINOIS

Schedule Of Expenditures Of Federal Awards For The Year Ended December 31, 2005

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Department Of Housing And Urban Development</u>			
Section 8 Housing Voucher Program	14.197	IL32-4DSO-047	\$ 1,046,097
Community Development Block Grant - Entitlement	14.218	B03MC170013	832,628
Home Investment Partnership Program	14.239	M95-MCI170216	<u>479,442</u>
Total Department Of Housing And Urban Development			<u>2,358,167</u>
<u>Department Of Justice</u>			
Local Law Enforcement Block Grants Program	16.592	2005-LBBX1178	3,846
	16.592	2004-LBBX1178	47,864
	16.592	2003-LBBX2591	15,118
FBI Task Force Program	16.300	N/A	14,460
HIDTA Task Force Program	16.300	N/A	5,044
Livescan Grant			<u>56,719</u>
Total Department Of Justice			<u>143,051</u>
<u>Department Of Transportation</u>			
National Highway Safety Grant	20.600	DTNH22-01-G-555401	2,361
Highway Safety Project	20.600	RC-2865-142	<u>42,178</u>
Total Department Of Transportation			<u>44,539</u>
<u>FEMA</u>			
<u>Pass-Through Program From Illinois</u>			
Emergency Management Agency Local Emergency Operation Plan	83.552	N/A	<u>38,220</u>

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Department Of Health And Human Services</u> Social Services Block Grant	93.667	21X3DF3138	<u>54,019</u>
<u>Department Of Homeland Security</u> Homeland Security Grant	97.007	N/A	<u>28,669</u>
			<u>\$ 2,666,665</u>

CITY OF JOLIET, ILLINOIS

Notes To Schedule Of Expenditures Of Federal Awards For The Year Ended December 31, 2005

A. Basis Of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Joliet, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



WERMER, ROGERS, DORAN & RUZON LLC CERTIFIED PUBLIC ACCOUNTANTS

755 ESSINGTON ROAD, JOLIET, ILLINOIS 60435 • 815/730-6250 • FAX 815/730-6257 • WWW.WRDR.COM

**Independent Auditor's Report On Internal
Control Over Financial Reporting And On Compliance And
Other Matters Based On An Audit Of
Financial Statements Performed In Accordance With
*Government Auditing Standards***

Honorable Mayor And Members
of the City Council
City of Joliet, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Joliet, Illinois, as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 6, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Joliet, Illinois' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not to be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City of Joliet, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Mayor and City Council, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wermar, Rogers, Doran + Ruzon, LLC

June 6, 2006

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WERMER, ROGERS, DORAN & RUZON LLC CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditor's Report On Compliance With Requirements
Applicable To Each Major Program And Internal Control Over
Compliance In Accordance With OMB Circular A-133**

Honorable Mayor And Members
of the City Council
City of Joliet, Illinois

Compliance

We have audited the compliance of the City of Joliet, Illinois, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The City of Joliet, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Joliet, Illinois' management. Our responsibility is to express an opinion on the City of Joliet, Illinois' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Joliet, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Joliet, Illinois' compliance with those requirements.

In our opinion, the City of Joliet, Illinois, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the City of Joliet, Illinois, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Joliet, Illinois' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Mayor and City Council, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wernman, Rogers, Doran + Rogers, LLC

June 6, 2006

CITY OF JOLIET, ILLINOIS

Schedule Of Findings And Questioned Costs For The Year Ended December 31, 2005

SUMMARY OF AUDIT RESULTS

1. The auditor's report expressed an unqualified opinion on the Basic financial statements of the City of Joliet.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the City of Joliet were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for the City of Joliet expressed an unqualified opinion on all major federal award programs.
6. There were no audit findings relative to the major federal programs for the City of Joliet.
7. The programs tested as major programs are:

<u>Program Title</u>	<u>CFDA Number</u>
Community Development Block Grant - Entitlement	14.218
Home Investment Partnership Program	14.239

8. The threshold for distinguishing types A and B programs was \$300,000.
9. The City of Joliet was determined to be a low risk auditee.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None

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